

Annex H



In the course of your career with General Motors, questions may arise regarding GM policies and procedures as they apply to you. It is hoped this booklet will provide you with answers to many such questions. In any event, you will find it worth reading now—and keeping for future reference.

Revised

This handbook ("Working with General Motors") supersedes in all respects all previously published editions of handbooks for General Motors salaried men and women dealing with employment policies and procedures.

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**A HANDBOOK FOR
GM SALARIED
MEN AND WOMEN
IN THE UNITED STATES**



E. N. Cole



J. M. Roche

TO EACH SALARIED EMPLOYEE:

Working with General Motors reviews the salaried personnel policies and procedures that guide our relationships as we work together in GM. It also provides information concerning some of the advantages you enjoy as a GM employe, your responsibilities, and the opportunities available to you. In addition, the latter portion of the booklet sets forth in detail certain of the specific policies and procedures of the Corporation.

Working with General Motors means more than a good salary, working conditions and benefit programs. These are important to you and your family. But working with General Motors offers rewards of a higher order--the satisfaction from a job that calls for your best efforts . . . the pride in being part of a great enterprise and in sharing in its achievements . . . the assistance and cooperation of members of supervision and your fellow em-

ployes along with a chance to develop your abilities and have them recognized and rewarded.

In such a climate, GM employes are able to apply themselves to their jobs with enthusiasm. It is the *individual* desire for excellence that has brought success to General Motors and its people. The future will depend upon the continuation and growth of this spirit throughout GM.

Through the years GM policies have been geared to the basic principle that the *individual* employe is the key to the success of the company. We want you to realize your own potential and work toward its fulfillment.

We are hopeful that your career with General Motors will be a rewarding and satisfying experience.

E. N. Cole
President

J. M. Roche
Chairman



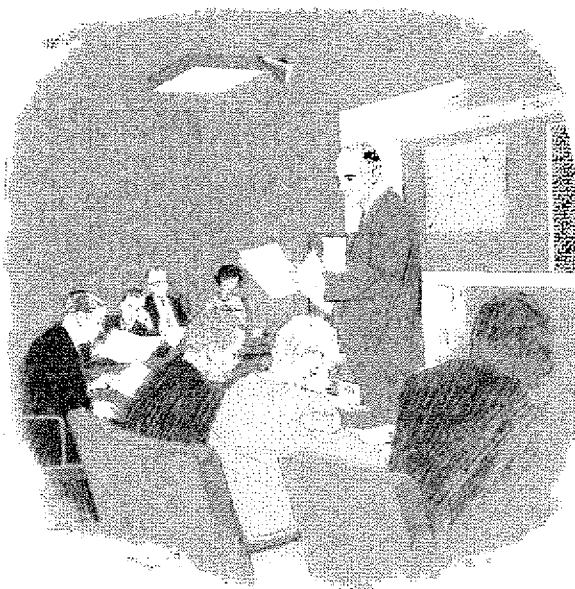
OPPORTUNITIES AHEAD

While working with General Motors you are part of a dynamic, growing Corporation. This growth and progress means a steady flow of opportunities for better jobs. GM is always looking for people of ability and character who can grow with GM and take on broader duties and responsibilities.

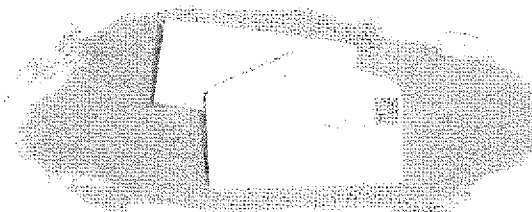
GM's policy is to fill openings by promotions from within the Corporation whenever possible. Employees who show ability and a capacity for growth, and who prepare themselves for the job ahead, can advance to bigger and better jobs in General Motors.

Many opportunities lie ahead in GM. Your individual progress will be as great as you make it through your contribution to the success of the business.

TRAINING and DEVELOPMENT



YOUR COMPENSATION



GM makes a sincere effort to pay people fairly. It has established a position classification system with salary ranges which provide for adequate differentials among positions of varying responsi-

If you are ambitious to make progress, you will find that General Motors is anxious to help you do so. GM is vitally interested in seeing that you develop your talents and abilities so that you will become increasingly valuable to yourself and to the Corporation.

GM endeavors to provide the kind of environment that will encourage the sound and steady development of each individual. It is up to you to provide the initiative, energy and perseverance you need in order to learn and grow.

The environment provided by GM includes the following elements:

- *On-the-job guidance and training.* This is an important part of your supervisor's job. You will learn much from him and from others around you who pass along their knowledge and skill to you.
- *Periodic review and appraisal* of your job performance and your qualifications for other responsibilities in the future. Your supervisor will

discuss your performance with you so that you will know where you stand and how you are doing.

- *Training programs* conducted within offices and plants, or at General Motors Institute, covering a variety of subjects to help you in your work.
- *The GM Tuition Refund Plan*, which provides financial aid for those who want to continue their formal education. You may wish to work toward a college degree or take special courses in subjects *related to your work*. If you take, and successfully complete, one or more courses that have been approved under the Tuition Refund Plan, GM will refund to you the full amount of the tuition and compulsory fees you pay for such courses, up to \$500 a calendar year for courses taken at an accredited college or university. GM will also pay up to \$250 a year for courses taken at non-accredited institutions.

Your supervisor will be glad to talk with you about the training that will be helpful in your development.

abilities. This permits individual consideration so that each employee is paid in accordance with his responsibilities and performance.

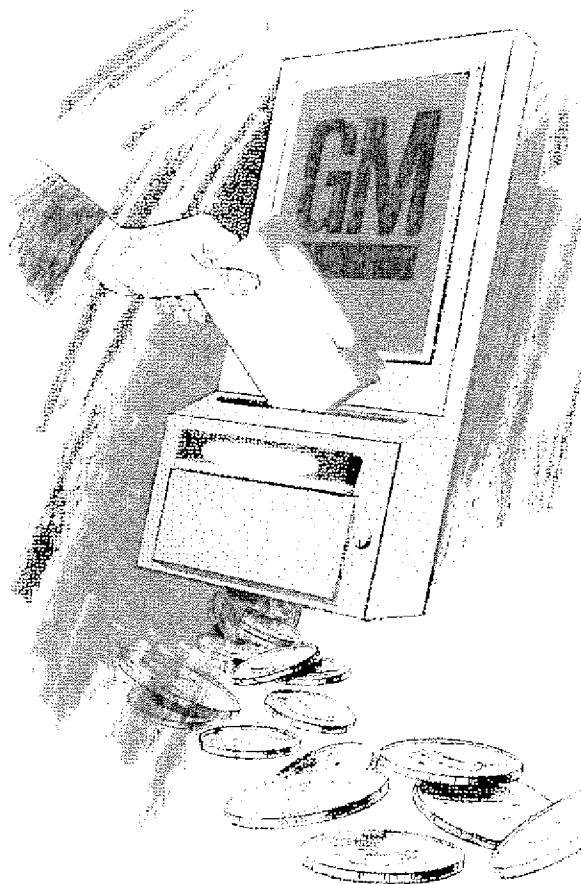
When you start to work for General Motors, you are paid a salary related to your immediate responsibilities. From then on your salary progress will depend upon how successfully you as an individual apply yourself. Your salary will be reviewed periodically. Merit increases will be granted in recognition of improved performance. At your request, your supervisor will inform you of your present classification and its salary range. Qualifying for promotion to a more responsible position will provide you with further opportunity to increase your salary.

Under currently existing Corporation policies, certain employees are eligible for overtime and

night shift premiums and for a cost-of-living allowance, which is computed on the basis of the Consumer Price Index of the U.S. Bureau of Labor Statistics and is paid quarterly. The application and operation of these policies will be explained to you by your supervisor upon request.

Bonus Plan

As responsibilities increase, incentive compensation is also a possibility through the General Motors Bonus Plan. Under this Plan, employees who have attained the minimum salary eligibility level established yearly by the Bonus and Salary Committee are eligible for consideration for bonus awards. The amount available for distribution through the Bonus Plan depends upon GM's earnings.



GENERAL MOTORS SUGGESTION PLAN

The General Motors Suggestion Plan provides eligible employees an opportunity to receive awards for adopted suggestions which improve safety, quality, tooling, forms, and procedures, or which save time, material, supplies and the like. Your supervisor will be glad to give you additional information about this Plan and your eligibility.

For further information, see the publication: "How To Improve Your Suggestability"

GM EMPLOYEE BENEFIT PROGRAMS

As a General Motors salaried employee, you will enjoy the very real advantages of three major benefit programs subject, of course, to the terms and conditions of the particular program.

1. **The Insurance Program**
2. **The Savings—Stock Purchase Program**
3. **The Retirement Program**

GM contributes substantial amounts to the cost of providing benefits under each of these programs, and pays the entire cost of administering them.

You will find that these programs offer invaluable help in your efforts to gain finan-

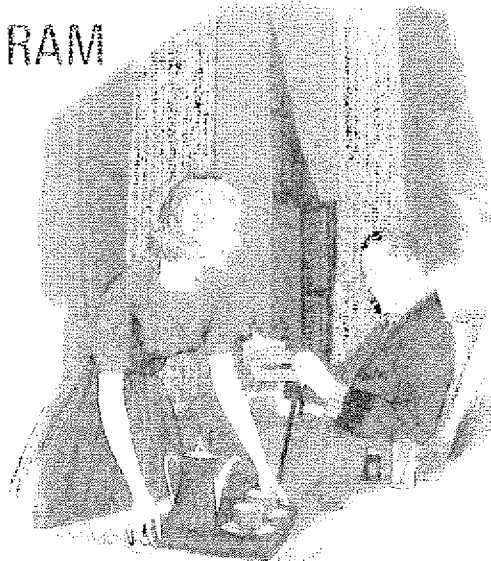
cial security for yourself and your family. They are designed to help you help yourself—not to replace individual initiative and responsibility.

On the following pages you will find a brief description of each of these programs. More complete information about each is provided in separate booklets which are available to you. You may obtain these booklets by asking your supervisor or the Personnel Department. In addition, you should not hesitate to ask questions regarding the GM benefit programs. Your local benefit plan administrator is there to provide expert assistance as well. You owe it to yourself to be informed about how these programs can affect you and your family.

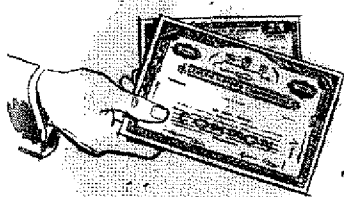
YOUR GM INSURANCE PROGRAM

General Motors offers, at relatively little cost to you, substantial protection against loss of income or heavy expense caused by sickness, injury or death. Subject to certain eligibility requirements, you may obtain the following kinds of protection through the GM Insurance Program:

1. Basic Life Insurance equal to twice your annual base salary, at no cost to you.
2. Optional Life Insurance up to three times your annual base salary, at favorable group rates.
3. Survivor Income Benefits under certain circumstances.
4. Continuing Life Insurance after age 65 equal to 15% to 30% of your Basic Life Insurance.
5. Extra Accident Insurance paid in case of death, or certain injuries, caused accidentally.
6. Sickness and Accident Insurance to provide income up to 12 months while you are unable to work because of sickness or injury. (Not applicable to employees in unclassified positions.)
7. Extended Disability Benefits to provide income if you remain totally disabled after sickness and accident benefits cease.
8. Your Basic Life Insurance paid to you in instalments in case of total and permanent disability before age 60.
9. Basic Hospital, Surgical, Medical and Prescription Drug coverage for you and your dependents.
10. Important Major Medical expense coverage for you and your dependents is provided under the Comprehensive Medical Expense Insurance Program.



For further information, see the following publications: "The General Motors Insurance Program for Salaried Employees" and "Your GM Comprehensive Medical Expense Insurance Program."



YOUR GM SAVINGS — STOCK PURCHASE PROGRAM

The General Motors Savings—Stock Purchase Program provides a sound and systematic way for you to build up your savings and at the same time become an owner of the business.

After one year of service, you may save up to 10% of your salary by payroll deductions or by cash contributions. To help your savings grow,

General Motors contributes \$1 for every \$2 you save. All of this money is turned over to a Trustee for investment. Of the amount you save, one-half is invested in U.S. Government obligations. The other half is invested in General Motors common stock. All of the amount contributed by GM is invested in General Motors common stock. Dividends and interest on these investments are credited to your account.

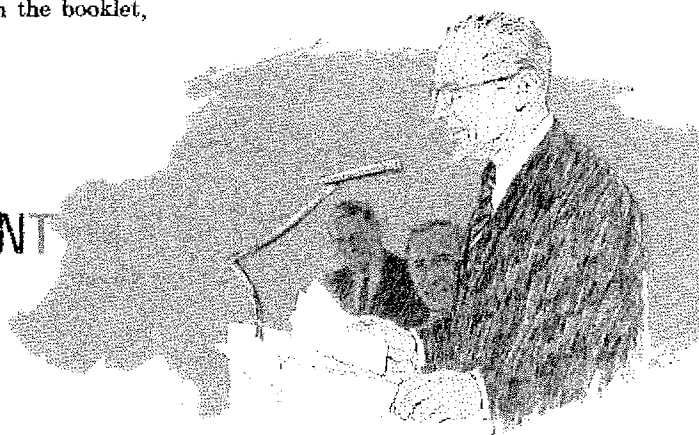
Through this Program you share in the benefits of stock ownership in GM. And you get the important advantage of GM's contribution added to your own savings.

The "Highlights" and the "Complete Text" of the Program are contained in the booklet,

"Your GM Savings-Stock Purchase Program."

In addition, a prospectus containing financial information about the Program and the operations of GM is issued each year and delivered to each salaried employee.

YOUR GM RETIREMENT PROGRAM



The Retirement Program has two parts.

Part A of the Program provides a basic level of retirement income for salaried employees with 10 or more years of service who retire under the Program or who become totally and permanently disabled. GM pays the entire cost of these benefits.

Part B of the Program provides additional retirement income for salaried employees who

contribute while eligible. Employees age 30 or over with one year of service are eligible to contribute. GM and its salaried employees share the cost of Part B benefits.

In addition to the benefits provided to you at retirement, the Retirement Program also provides substantial survivor protection for your spouse after you reach age 55 and are eligible to retire.

For further information, see the publication: "Your GM Retirement Program."

WORKING CONDITIONS

Safe, pleasant and efficient working conditions are the constant aim of General Motors.

Safety is a vital consideration throughout GM. An active and vigilant safety program carried on for many years has made our plants and offices among the safest in industry. This is attested to by the frequency with which General Motors has received the National Safety Council's Award of Honor for "outstanding safety performance." National Safety

Council records show that our employees are safer while at work with GM than they are in their own homes.

General Motors believes in providing its employees with the finest equipment we can buy or create. Many millions of dollars are spent each year in a continuing program of modernization aimed at making the work more pleasant and the product itself better and safer.

YOUR HEALTH



All plant and most general office locations in GM have medical facilities. These are modern medical departments staffed by qualified physicians and trained nurses.

These departments provide medical attention to employees at work. They also give physical examinations prior to employment and are available for further consultation thereafter.

The purpose of these services—available to GM employees at no cost—is not to replace those of your family doctor but to provide additional help in maintaining your health.

The Industrial Medical Association has awarded GM the Health Achievement in Industry Award in recognition of GM's pioneering in the field of industrial medicine.

PREGNANCY LEAVE

A great many salaried positions in General Motors are held by women. GM policy protects the "length of service" of these employees when they leave work because of pregnancy.

A special leave of absence for pregnancy, without pay, will be granted to an employee who requests it, for a period of up to 12 months. If, before the expiration of the leave of absence, she applies to return and is able to return to work, she will be offered reemployment in her former position or in a position of like status and pay, provided she is qualified to perform the work available. If, upon application to return to work, conditions are such that the employee would have been laid off if she had not been on pregnancy leave, the

employee will be placed on layoff status and will be considered for future employment in line with her qualifications and length of service.

If the employee is not physically able to return by the time her leave expires, she may, upon request, be granted an extension of the leave until such time as she is able to return. The total time of the original leave and extensions may not exceed 12 months or the length of service the employee had at the beginning of the leave, whichever is greater, up to a maximum of five years. Of course, in order to protect her length of service, the employee must return, if she is physically able to do so, within the period of her leave and must accept suitable employment when offered.

VACATIONS and HOLIDAYS



Generally speaking,
but subject to certain
necessary limitations,
all salaried employees

who will have been with GM a year or more as of October 1 of the current calendar year are eligible for at least two weeks' vacation with pay during that year.

Following is the vacation eligibility table for salaried employees:

LENGTH OF SERVICE	AMOUNT OF VACATION
1 year but less than 3	2 weeks
3 years but less than 5	2½ weeks
5 years but less than 10	3 weeks
10 years but less than 15	3½ weeks
15 years but less than 20	4 weeks
20 or more years (effective beginning calendar year 1972)	5 weeks

*As of October 1 of current year

Vacations for employees hired after October 1 of the previous year are determined as outlined on page 22.

General Motors employees who are not on a temporary basis will be paid for certain recognized holidays each year. For further information on holidays recognized in General Motors, see page 23

YOUR JOB SECURITY

The job security of each of us is related to the success of the business and our individual contribution toward it. A company that does not compete successfully in business and does not make a profit will not be able to provide job security to its employees or investment security to its shareholders.

General Motors' past record of employment security is good, and GM hopes to keep it that way. One of GM's most important investments is in its people. If conditions should make necessary a reduction in force, General Motors' policy provides that salaried employees whose performance is satisfactory, but who cannot be retained, will

be classified as layoffs.

A salaried employee with length of service of six months or more who must be laid off will be placed on inactive status for a period equal to his length of service or 12 months, whichever is less. If he returns to the active roll within that period, the period of inactive status will be included in his length of service. If not returned to the active roll within that period, he will be separated as a layoff. In cases where an employee is separated as a layoff, his length of service will be re-established if he is returned to the active roll within a period which does not exceed five years or his length of service as of his last day on the active payroll,

whichever is the lesser. In such cases, when length of service is re-established, the period of inactive status will be included in length of service.

A salaried employee who is placed on laid-off inactive status is paid monthly layoff payments as provided under the Separation Allowance Plan. The Plan is described starting on page 30 of this booklet.

Laid-off employees are considered available for re-employment not only with the unit from which laid-off, but are also listed as available for employment with other GM units in the same community and in other communities. It is GM's policy that before hiring new employees, those salaried employees who have been laid off are offered the opportunity to fill openings in the plant or office from which they were laid off or in other plants or offices in the

community provided they are qualified to perform the work available.

Payment of Moving Expenses

When General Motors transfers a salaried employee to a new location requiring the moving of his permanent residence, GM provides for the payment of reasonable and necessary moving expenses.

Where the employee's transfer results from the transfer or discontinuance of a GM operation, General Motors also provides for the payment of reasonable and necessary moving expenses if the plant to which the employee is being transferred is at least 50 miles from the plant from which he is being transferred.

FOR YOUR INFORMATION

General Motors makes available information to enable you to be well informed about what is going on in the organization as a whole and about developments that affect you and your job.

Much of this information comes to you through your supervisor. Additional information is sup-

plied to you in many forms--through Information Rack booklets, bulletin boards, folders and other publications.

Be sure to read the following booklets, available from your supervisor:

ABOUT	TITLE OF BOOKLET
Retirement Program	"Your GM Retirement Program"
Insurance	"The General Motors Insurance Program For Salaried Employees" "Your Blue Cross and Blue Shield (or other Local Plan) Benefits" "Your GM Comprehensive Medical Expense Insurance Program" "Personal Accident Insurance"
Savings—Stock Purchase Program	"Your GM Savings—Stock Purchase Program"
Suggestion Plan	"How To Improve Your Suggestability"
Tuition Refund Plan	"Educational Assistance for GM Salaried Employees"
General Motors Institute	"General Motors Institute"
General Motors Today	"A Look at GM" "General Motors Annual Report"
Summary of Benefits	"Your GM Benefits"

YOUR PART

Along with the advantages and opportunities offered in General Motors go certain responsibilities—obligations that you will want to meet.

Your primary and most important responsibility, of course, is to do a good job on the work assigned to you by your supervisor. In addition to following instructions, doing a good job requires the employee to think for himself—to ask questions and make constructive suggestions. You will find that your supervisor is interested in your ideas and will appreciate your efforts to do an outstanding job.

Doing a good job also implies certain other obligations on your part, such as maintaining good health and mental alertness, using good judgment, being prompt and regular in attendance, cooperating with your fellow workers, and being loyal to GM—its people and its products. You will want to keep well informed on your company so that you will be able to talk intelligently about GM to your friends and neighbors. To them, you represent General Motors, and what you say can do much to shape their opinion of GM. This can also help to shape your own future.

THE OPEN DOOR

For people to work together effectively, there must be a friendly, congenial atmosphere based on mutual trust and respect. Yet, in all human relationships there are bound to be occasional misunderstandings and disagreements. It is important that these be resolved without delay.

In most cases this is a simple matter, handled easily by the supervisor. Supervisors cannot always be expected to provide answers satisfactory to all concerned. GM's policy provides recourse to higher authority where that becomes necessary.

In general terms, the policy is simply an attitude of fair and friendly consideration for each individual's viewpoint.

More specifically, it invites you to express yourself freely to your supervisor about your job or about General Motors policies. If you have a problem, a misunderstanding or a request, talk to your supervisor about it. If he is not able to give an answer which is satisfactory to you, he will arrange for your problem to be taken to the proper authority—your general supervisor, the Personnel Department, your General Manager or his designated representative, or, in unusual cases, the General Motors Central Office in Detroit. The final determination of cases referred to the Central Office lies with the Vice President in Charge of the Personnel Staff who acts on behalf of the officers of the Corporation in such reviews.



GENERAL MOTORS PRODUCTS

Your future with General Motors, and the future of every other GM employee, depends on the sale of General Motors products.

The more you know about these products, the more you use them, talk about them and persuade your friends to use them, the better your future will be. Following is a list of the principal things we make in GM in the United States.

AUTOMOTIVE

Passenger cars produced by Buick, Cadillac, Chevrolet, Oldsmobile and Pontiac. Chevrolet trucks and GMC trucks and motor coaches. Parts, accessories and equipment for automobiles and trucks.

DIESEL

Electro-Motive Diesel locomotives for passenger, freight, switching, and industrial uses; Diesel engines for marine and industrial uses; stationary and mobile electric generating equipment.

HOUSEHOLD APPLIANCES, ETC.

Frigidaire refrigerators, ranges, food

freezers, dishwashers, room air conditioners, food waste disposers, dry cleaners, clothes washers and dryers; Delco electric motors.

EARTH-MOVING

Terex heavy duty off-the-highway equipment for road building, moving earth, rock, coal and ore.

DEFENSE AND SPACE

General Motors builds products that are important in national defense and space activities, including such items as electronic equipment for guided missiles and other uses, rocket motor cases, turbine engines and heavy-duty transmissions.

THE GENERAL MOTORS FAMILY

As a G.M. employee, you are part of a world-wide organization with headquarters in Detroit and New York City. Following is a list of General Motors divisions and subsidiaries here and abroad, with their principal locations:

AC SPARK PLUG DIVISION Flint, Michigan

BUICK MOTOR DIVISION Flint, Michigan

CADILLAC MOTOR CAR DIVISION Detroit, Michigan

CENTRAL FOUNDRY DIVISION Saginaw, Michigan; Danville, Illinois; Defiance, Ohio; Bedford, Indiana

CHEVROLET MOTOR DIVISION Detroit, Michigan; Bay City, Michigan; Buffalo, New York; Cleveland, Ohio; Flint, Michigan; Indi- anapolis, Indiana; Livonia, Michigan; Lordstown, Ohio; Massena, New York; Muncie, Indiana; Nor- wood, Ohio; Saginaw, Michigan; St. Louis, Mis- souri; Toledo, Ohio; Tonawanda, New York; Warren, Michigan; Waukegan, Illinois; Ypsilanti, Michigan.

DELCO ELECTRONICS DIVISION Kokomo, Indiana; Milwaukee, Wisconsin; Santa Barbara, California

DELCO MORaine DIVISION Dayton, Ohio

DELCO PRODUCTS DIVISION Dayton, Ohio; Rochester, New York

DELCO-REMY DIVISION Anderson, Indiana; Anaheim, California; Muncie, Indiana; New Brunswick, New Jersey; Olathe, Kansas

DETROIT DIESEL ALLISON DIVISION Detroit, Michigan Indianapolis, Indiana; Cleveland, Ohio

DIESEL EQUIPMENT DIVISION Grand Rapids, Michigan

ELECTRO-MOTIVE DIVISION La Grange, Illinois; Chicago, Illinois

TEREX DIVISION Cleveland, Ohio; Hudson, Ohio

FISHER BODY DIVISION Warren, Michigan; Chicago, Illinois; Cleveland, Ohio; Columbus, Ohio; Detroit, Michigan; Elyria, Ohio; Euclid, Ohio; Flint, Michigan; Grand Blanc, Michigan; Grand Rapids, Michigan; Hamilton,

FISHER BODY DIVISION (Continued) Ohio; Kalamazoo, Michigan; Lansing, Michigan; Livonia, Michigan; Lordstown, Ohio; Mansfield, Ohio; Marion, Indiana; Norwood, Ohio; Pittsburgh, Pennsylvania; Pontiac, Michigan; St. Louis, Mis- souri; Syracuse, New York; Tecumseh, Michigan; Trenton, New Jersey; Ypsilanti, Michigan; Willow Springs, Illinois.

FRIGIDAIRE DIVISION Dayton, Ohio

GM ASSEMBLY DIVISION Warren, Michigan; Arlington, Texas; Atlanta, Georgia; Baltimore, Maryland; Doraville, Georgia; Framingham, Massachusetts; Fremont, California; Janesville, Wisconsin; Kansas City, Kansas; Kansas City, Missouri; Linden, New Jersey; South Gate, California; Tarrytown, New York; Van Nuys, California; Wilmington, Delaware.

GMC TRUCK & COACH DIVISION Pontiac, Michigan

GM PARTS DIVISION Flint, Michigan

GUIDE LAMP DIVISION Anderson, Indiana

HARRISON RADIATOR DIVISION Lockport, New York; Buffalo, New York

HYDRA-MATIC DIVISION Ypsilanti, Michigan

INLAND MANUFACTURING DIVISION Dayton, Ohio

NEW DEPARTURE-HYATT BEARINGS DIVISION Sandusky, Ohio; Bristol, Connecticut; Clark Town- ship, New Jersey

OLDSMOBILE DIVISION Lansing, Michigan

PACKARD ELECTRIC DIVISION Warren, Ohio

PONTIAC MOTOR DIVISION Pontiac, Michigan

ROCHESTER PRODUCTS DIVISION Rochester, New York

SAGINAW STEERING GEAR DIVISION
Saginaw, Michigan

UNITED DELCO DIVISION
Detroit, Michigan

FINANCE AND INSURANCE UNITS

GENERAL MOTORS ACCEPTANCE CORPORATION
New York, New York

MOTORS HOLDING DIVISION
Detroit, Michigan

MOTORS INSURANCE CORPORATION
New York, New York

CANADIAN UNITS

DIESEL DIVISION OF GM OF CANADA LIMITED
London, Ontario

DELCO CANADA DIVISION OF GM OF CANADA LIMITED
Scarborough, Ontario

GENERAL MOTORS OF CANADA LIMITED
Oshawa, St. Catharines, and Windsor, Ontario;
Ste. Therese, Quebec.

OTHER UNITS

ARGONAUT REALTY DIVISION
Detroit, Michigan

GENERAL MOTORS INSTITUTE
Flint, Michigan

GENERAL MOTORS PROVING GROUNDS
Milford, Michigan; Phoenix, Arizona; Manitou
Springs, Colorado; Mesa, Arizona.

GENERAL MOTORS TECHNICAL CENTER
Warren, Michigan

OVERSEAS UNITS

GENERAL MOTORS OVERSEAS OPERATIONS DIVISION
New York, New York

Individual Operations

ADAM OPEL A.G.
Russelsheim am Main, Bochum and Kaiserslautern,
West Germany

GENERAL MOTORS SCOTLAND LIMITED
Motherwell and Peterhead, Scotland

GM OVERSEAS DISTRIBUTORS CORP.
New York, New York

GENERAL MOTORS ARGENTINA S.A.
San Martin, Buenos Aires, and Barracas, Argentina

GENERAL MOTORS AUSTRIA GES.MB.H.
Vienna, Austria

GENERAL MOTORS DO BRASIL S.A.
Sao Paulo and Sao Jose dos Campos, Brazil

GENERAL MOTORS CHILE S.A.
Santiago, Chile

GENERAL MOTORS CONTINENTAL
Antwerp, Belgium; Rotterdam, Netherlands

GENERAL MOTORS DEUTSCHLAND GMBH
Wiesbaden, Federal Republic of Germany

GENERAL MOTORS (FRANCE)
Gennevilliers (Seine), France

GENERAL MOTORS GMBH
Berlin, Federal Republic of Germany

GENERAL MOTORS-HOLDEN'S PTY. LIMITED
Melbourne, Perth, Sydney, Brisbane, Woodville,
Elizabeth, Dandenong, Acacia Ridge, and Queens-
land, Australia

GENERAL MOTORS INTERNATIONAL A/S
Copenhagen, Denmark

GENERAL MOTORS ITALIA S.P.A.
Milan and Rome, Italy

GENERAL MOTORS LIMITED
London, Dunstable, Hendon, Liverpool and South-
ampton, England

GENERAL MOTORS DE MEXICO, S.A. DE C.V.
Mexico City and Toluca, Mexico

GENERAL MOTORS NEW ZEALAND LIMITED
Wellington, New Zealand

GENERAL MOTORS NORDISKA A.B.
Stockholm, Sweden

GENERAL MOTORS (NORWAY) A/S
Oslo, Norway

GENERAL MOTORS DEL PERU S.A.
Lima, Peru

GENERAL MOTORS DE PORTUGAL, LIMITADA
Lisbon and Azambuja, Portugal

GENERAL MOTORS SOUTH AFRICAN (PTY.) LIMITED
Port Elizabeth and Aloes, Republic of South Africa

GENERAL MOTORS STRASBOURG S.A.
Strasbourg, France

GENERAL MOTORS SUISSE S.A.
Bienne and Staden, Switzerland

GENERAL MOTORS URUGUAYA S.A.
Montevideo, Uruguay

GENERAL MOTORS DE VENEZUELA, C.A.
Caracas, Venezuela

SUOMEN GENERAL MOTORS OY.
Helsinki, Finland

VAUXHALL MOTORS LIMITED
Luton, Bedfordshire, Dunstable and Ellesmere
Port, England

The first part of this booklet outlined some of the opportunities you have as a salaried employe working with General Motors. It gave a general idea of the benefits you may receive under the various benefit plans.

In the second part, you will find more complete statements of the policies and procedures which govern relationships with salaried personnel.

You will find this booklet of increasing interest and importance to you as you continue to work with General Motors. If questions arise which are not answered in the booklet, ask your supervisor for further explanation.

DETAILS OF POLICY AND PROCEDURE

Classifications of Salaried Personnel

Probationary Employees: A salaried employee hired to fill a position or vacancy other than of a temporary nature shall be considered a probationary employee for the first six months of employment. Employment during the probationary period shall be on a day-to-day basis, even though salary may be expressed and computed on a calendar month rate.

Regular Employees: During any continuous 12-month period, upon the accumulation of six months of salaried employment, such an employee shall be considered thereupon as a regular employee and his employment will be on a month-to-month basis at a calendar month rate, whether he is paid monthly, semimonthly, or on some other basis of salary payments. An employee's length of service date shall be established as of six months prior to the date he becomes a regular employee.

Temporary Employees: A salaried employee hired for work of a purely temporary nature, such as a vacation substitute, one called in at irregular intervals, or hired for short-term emergency work, shall be employed on a day-to-day basis without respect to the method of payment used. Such an employee shall be paid only for those days or fractional days actually worked. He shall be entitled to overtime or premium pay for excess hours worked, in accordance with established procedure and any applicable laws, regulations or orders.

"Exempt" or "Non-Exempt": Those salaried employees whose duties and responsibilities are of an executive, administrative, or professional character and who meet the requirements established for exemption under the provisions of the Fair Labor Standards Act, as amended, and the regulations issued in connection therewith, may be classified as "exempt" employees. All employees not classified as "exempt" are classified as "non-exempt."

EQUAL OPPORTUNITY EMPLOYMENT

Operating as it does on a nationwide basis, General Motors Corporation offers employment opportunities to many people in many different locations throughout the United States.

The policy of the Corporation is to extend these opportunities to qualified applicants and employees on an equal basis regardless of an individual's age, race, color, sex, religion or national origin.

Hiring and employment practices and procedures implementing this policy are the responsibility of the employing Units. However, these practices, procedures, and decisions are to be, at all times, in conformity with the Corporation Equal Opportunity Employment Policy.

Length of Service

Your Service Record: A complete record of your service with General Motors is kept by your Division or Unit. This service record contains basic information about your employment with General Motors, including the date you were originally employed, all changes in compensation, position, location, and leaves of absence granted.

"Length of Service" Important to You: Your length of service is important to you because it is a factor in determining the extent of your participation in certain benefits which you may be eligible to receive as a General Motors salaried employee.

What Is Length of Service: The length of service for a salaried employee is that period of employment with the Corporation or any of its wholly-owned subsidiaries which is considered unbroken and is recognized in computing the amount and extent of participation in employee benefits, including vacations, separation allowances, leaves of absence, etc. Length of service is not recognized until the employee attains the

status of a regular employee, at which time his length of service shall include the period of his probationary service. Service for purposes of General Motors benefit plans shall be determined in accordance with provisions of the specific plan.

What Is Included in Length of Service: The length of service of a salaried employee includes the following:

- All unbroken salaried service with General Motors or its wholly owned subsidiaries.
- The recognized hourly-rate service which the employee held in the Division where he became a salaried employee, except that such recognized hourly-rate service for this purpose shall be deemed to be broken by an hourly-rate "layoff" of over 12 months' duration if such layoff commenced prior to May, 1961, or by a layoff which exceeded five years or the period of hourly-rate service the employee had acquired at the time of layoff, whichever is the lesser, in the case of a layoff which commenced during or after May, 1961. If an hourly-rate layoff commencing in May, 1961, or later exceeded 12 months but part of the employee's hourly-rate service could be included in length of service in accordance with the foregoing provision, only 12 months of the time on such layoff shall be included in the employee's salaried length of service.
- All recognized hourly-rate service in those cases where the hourly-rate employee at the instigation of the Corporation is made available to another Unit of the Corporation with the specific approval of the heads of both Units, except that such recognized hourly-rate service for this purpose shall be deemed to be broken by a "layoff" of over 12 months' duration if such layoff commenced prior to May, 1961, or by a layoff which exceeded five years or the period of hourly-rate service the employee had acquired at the time of layoff, whichever is the lesser, in the case of a layoff which commenced during or after May, 1961. If a layoff commencing in May, 1961, or later exceeded 12 months but part of the employee's hourly-rate service could be included in length of service in accordance with the foregoing provision, only 12 months of the time on such layoff shall be included in the employee's salaried length of service.
- All continuous full-time and certain part-time temporary service which immediately precedes the transfer of such an employee to a permanent position.

- Unbroken service with operating companies (excluding commercial organizations) acquired by the Corporation or its wholly-owned subsidiaries.

- Time spent by a regular student in General Motors Institute, or in any other accepted cooperative educational institution as an employee of the Corporation or its wholly-owned subsidiaries.

- Time spent on approved leaves of absence as follows:

- (a) Noncompensable disability leave—first continuous 12 months of such leave. In the instance, however, of an employee who returns to work immediately following a disability leave and is again incapacitated by a recurrence of the same disability, his length of service upon again returning to work shall include all absent time due to the same disability up to but not exceeding 12 months.
- (b) Compensable disability leave—entire period of such leave.
- (c) Military leave—entire period of such leave, provided the employee returns in accordance with the terms of the leave of absence.
- (d) Special leave (other than for educational purposes or for pregnancy)—only first continuous three months of such leave, unless approved by the proper Corporation Central Office Executive.

Special leave of absence for educational purposes—the first 12 months of such leave granted to a regular salaried employee. Time in excess of 12 months may also be included if approved by the General Manager of a Division or Central Office Staff Head.

Special leave of absence for pregnancy—on and after November 1, 1962, the period of time on such leave, up to a maximum of 12 months or a period equal to the employee's length of service at the time the leave becomes effective, whichever is less.

- The period of time during which a regular employee, separated as a final release or mutu-

ally satisfactory release, is away from General Motors as well as length of service established prior to such separation, if the employee is re-employed in General Motors during the first 12 months following separation. This same provision applies to a regular employee who was separated as a layoff prior to May, 1961.

- The period of time, up to a maximum of 12 months for any one layoff, during which a regular employee is laid off, provided the employee's length of service prior to the layoff remains unbroken or is re-established.
- All summer employment of a college student which precedes such student's regular employment upon graduation.

What Breaks Length of Service: Length of service is broken by the following:

- A quit or a discharge.
- A layoff which commenced during or after May, 1961, which exceeds five years, or the length of service the employee had acquired at the time of layoff, whichever is the lesser.
- Any layoff which commenced prior to May, 1961, for a continuous period which exceeds 12 months.
- A mutually satisfactory release or final release, if the employee is not rehired within the succeeding 12 months.
- Under most circumstances a special separation may break an employee's length of service. However, if the employee is rehired within 12 months following the separation, his length of service will be determined by the conditions and circumstances of the individual case.

Review by General Motors Central Office: Any employee who questions his length of service record with General Motors, as established by the employing Unit, may appeal such determination through organization channels to the GM Vice President in Charge of the Personnel Staff for review of the facts and a final decision, provided he has first exhausted all steps for an adjustment within his employing Unit. Appeals should be submitted in writing.

Leaves of Absence

Any employee, other than one on a temporary basis, absent for more than seven consecutive

calendar days, and not on vacation, shall either have his services terminated or be granted a leave of absence.

The employee should be advised fully as to the conditions of the leave of absence at the time it is granted.

CLASSIFICATIONS OF LEAVES OF ABSENCE

Three types of leaves of absence may be granted:

Disability leave of absence, Military leave of absence, and Special leave of absence.

The length of service of an employee is protected by an approved leave of absence, although time spent on leaves of absence may or may not be included in the length of service, depending upon the type of leave.

The granting of a leave of absence to an employee shall not be considered as a guarantee of re-employment following the leave of absence. Every effort should be made to reinstate an employee eligible for re-employment in his former position or one comparable to it, provided he is qualified to perform the duties of such position.

DISABILITY LEAVE OF ABSENCE

The General Manager of a Division or Central Office Staff Head, or his designated representative, shall grant a disability leave of absence to any salaried employee not on a temporary basis, provided such employee furnishes proof satisfactory to Management that he is unable to discharge his normal responsibilities as a result of sickness or accident. Such a leave of absence may be extended upon submission of satisfactory proof of continued disability.

In the case of sickness or accident noncompensable under the Workmen's Compensation Law, the employee shall be granted a disability leave of absence after he has been absent in excess of seven consecutive calendar days, which leave shall be considered as being in effect from the first regularly scheduled day of work on which he was absent.

In the case of compensable occupational accident or compensable occupational disease, the employee shall be granted a disability leave of absence starting on the first regularly scheduled day of work on which he was absent.

In the usual case, payments to an employee in the salary group eligible for Sickness and Accident

Insurance are made while the employee is on disability leave of absence for noncompensable sickness or accident in accordance with the schedule at the bottom of this page.

Salary payments during disability to most employees in the salary group not eligible for Sickness and Accident Insurance are made on a basis consistent with the provisions for employees eligible for such insurance.

Insurance Protection for Employees on Disability Leave of Absence: For information relative to benefits payable or continuation of insurance during absence due to total disability, consult your supervisor or refer to the booklet "The General Motors Insurance Program."

SPECIAL LEAVE OF ABSENCE

A special leave of absence may be granted for definite periods for reasons other than sickness, accident, vacation, or extended military service, when it is desirable from the employee's standpoint and desirable or acceptable from the standpoint of the Corporation for the employee to be absent from work for more than seven consecutive calendar days. A special leave of absence must be requested in advance by the employee and, if granted, will become effective on the first regularly scheduled day of work on which he is absent. The following paragraphs will deal with the various types of special leaves of absence, the authority for granting such and the extent to which salary payments, if any, shall be made.

Pregnancy: A special leave of absence without pay, for a period up to 12 months, shall be

granted by a General Manager of a Division or Central Office Staff Head, or his designated representative, when requested by a regular salaried employee who submits satisfactory evidence of pregnancy.

A salaried employee who has been on a special leave of absence for pregnancy who applies for return to work, and presents medical evidence satisfactory to Management that she is able to return shall be offered reemployment in her former position or in a position of like status and pay provided she is qualified to perform the work available.

If, upon application to return to work, conditions are such that the employee would have been laid off if she had been actively employed, her special leave of absence shall be terminated and she shall be placed on layoff status and be eligible for recall preference. If the period during which she has been on a leave of absence is less than 12 months, she shall be placed on inactive status until the time on leave and on inactive status combined equals the lesser of 12 months, or length of service, at which point she shall be separated as a layoff. If the period during which she has been on a leave of absence equals or exceeds 12 months, she shall be separated as a layoff. Such an employee placed on inactive status or separated as a layoff shall be eligible for layoff or separation allowance payments.

In the case of an employee placed on inactive status or separated from a special leave of absence for pregnancy, the maximum period of time on leave and while eligible for recall preference shall not exceed the lesser of five years, or the length of service she had acquired at the time she went on the leave of absence.

Types of Disability Payments for Periods Shown Below				
LENGTH OF SERVICE	Full base salary	S. & A. Insurance and salary combined equal to full base salary	Maximum* S. & A. Insurance benefits payable	Extended Disability benefits payable up to a maximum of
LESS THAN 1 YEAR	1st week	—	12 months**	None
1 YEAR TO 5 YEARS	1st week	next 7 weeks*	12 months	Years of participation in insurance program up to age 65 (incl S & A and/or salary contin- uation period)
5 OR MORE YEARS	1st week	next 12 weeks*	12 months	
*For employees hired prior to April 1, 1971, the maximum period is twelve months. For employees hired on or after April 1, 1971, benefits are payable on a time-for-time basis from date of hire up to 12 months.				
** If insurance is in effect on date disabled.				

If medical evidence satisfactory to Management establishes that she is unable to return to work at the expiration of the leave, she shall be continued on a special leave of absence. However, the total length of time of the original leave of absence and extensions shall not exceed the greater of 12 months, or the length of service she had acquired at the time she went on a leave of absence, up to a maximum of five years. If the employee is not able to return to work at the end of the extended periods of leave, she shall be classified as a special separation and shall be eligible for a separation allowance.

If the employee with unbroken length of service or eligible for re-establishment of length of service returns to the active roll within 12 months from the date she went on leave of absence, her length of service shall include the time on such leave and inactive status, but not to exceed her length of service at the time such leave became effective. If the employee returns to the active roll within a period subsequent to the date she went on leave of absence which exceeds 12 months but does not exceed the length of service she had acquired prior to such leave up to a maximum of five years, her previous length of service shall be re-established. If length of service is re-established in such a case, the time away, but not to exceed 12 months, shall be included in her length of service.

If an employee does not make application to return to work by the expiration of the leave of absence or extensions, she shall be separated as a quit, and shall not be eligible for a separation allowance.

Jury Duty: When an employee is called for jury duty, in most cases it does not necessitate his full-time absence from work. In such cases, unless the employee is required to be absent (full-time) in excess of seven consecutive calendar days, the absence will be treated as excused and the employee will be compensated in accordance with procedure.

A special leave of absence for jury duty will be granted by the General Manager of a Division, a Central Office Staff Head, or his designated representative, to an employee not on a temporary basis only when the employee is required to be absent full-time for periods in excess of seven consecutive calendar days, in which case the leave will be in effect from the first scheduled working day of such full-time absence. An employee granted a special leave of absence for jury duty, in accordance with the foregoing, will be

paid base salary (plus cost-of-living allowance and night shift premium, if applicable) for the first seven consecutive calendar days of absence and base salary (plus cost-of-living allowance if applicable) thereafter. However, salary payments for such leave of absence of over one month's duration require special approval.

Fees received by the employee for jury duty will in no way affect his compensation from the Corporation.

Educational Purposes: A special leave of absence for educational purposes may be granted without pay for a period not to exceed 12 months by the General Manager of a Division or Central Office Staff Head to a salaried employee who has established length of service. Such leaves may be extended upon written request. The first 12 months of such leave of absence shall be included in computing the length of service of an employee who has returned to work following the completion of such a leave.

Personal Reasons: Other special leaves of absence for personal reasons may be granted by the General Manager of a Division or a Central Office Staff Head to other than temporary employees.

Such leaves may be granted with or without pay, dependent upon the circumstances of the case. However, the following maximums shall apply in the usual case:

Length of Service	With Base Pay Plus Cost-of-Living Allowance	Special Leave Without Pay
Less than one year	One week	Six months
One year or more	One month	Six months

Special leaves of absence for longer periods shall require special approval. The first continuous three months of such leave of absence shall be included in computing length of service.

MILITARY LEAVE OF ABSENCE

General Motors policy provides for the granting of military leaves of absence to eligible employees. Information regarding eligibility for such leaves of absence may be obtained from your supervisor or the Personnel Department.

An approved military leave of absence shall not constitute a break in the employee's length of

service. The entire period of a military leave of absence shall be included in computing the length of service of an employee who has returned to work following the completion of such a leave, provided the employee, following his release from the Armed Forces, makes application for re-employment within the period specified in the leave or within the period prescribed by any applicable laws or regulations governing the re-employment of veterans, whichever is greater.

Reserve Training: General Motors grants leaves of absence to employees taking part in annual training or cruises or special active duty.

An employee who is called for service with the Reserve Forces should consult his supervisor, in order that a leave of absence may be arranged, if necessary. At that time, the employee will be advised of the rights and benefits which apply to him under General Motors policy.

Payment of Moving Expenses

When, as a result of the discontinuance or transfer of operations, a non-exempt salaried employee is transferred to a new location, he shall be reimbursed for reasonable and necessary moving expenses incurred in moving his permanent residence, if the plant to which the employee is being transferred is at least 50 miles from the plant from which he is being transferred. In every such case, Management shall determine what expenses are considered reasonable and necessary.

Transfers of this type affecting exempt employees may be handled in accordance with the past practice of providing for the payment of reasonable and necessary moving expenses for salaried employees transferred for the convenience of the Corporation.

Your Vacation

It is the Corporation's policy to insist that each salaried employee take the full amount of vacation to which he is entitled each year. This is considered essential not only in the interest of fair and equitable treatment for an individual employee but also for the efficiency of the Corporation in enabling an employee through the benefits of such a vacation to contribute more effective effort. In order to insure that an employee takes the vacation to which he is entitled, no salary payment shall be made in lieu of vacation. Vacations not taken during the current calendar year may not be carried over to the following year.

LENGTH OF YOUR VACATION

Employees Whose Length of Service is Less Than One Year: Vacations during the current year for regular salaried employees hired during that year or in the previous year after October 1 are determined as follows:

EMPLOYMENT DATE	VACATION WITH PAY
Oct. 2 to Dec. 31 (previous year)	1-1/2 weeks
Jan. 1 to March 31 (current year)	1 week
After March 31 (current year)	None until following year

Employees Whose Length of Service is One Year or More: Regular salaried employees whose length of service is one year or more by October 1 of the current calendar year shall take vacation during the current calendar year as follows:

LENGTH OF SERVICE	VACATION WITH PAY
1 year but less than 3	2 weeks
3 years but less than 5	2-1/2 weeks
5 years but less than 10	3 weeks
10 years but less than 15	3-1/2 weeks
15 years but less than 20	4 weeks
20 years or more (effective with the calendar year 1972).	5 weeks

Transfers from Hourly Roll: A salaried employee who has been transferred from the hourly roll before July 1 of the current year shall be granted and shall take, during the current calendar year, the vacation to which he is entitled by his total length of service less any time off already taken under the paid absence allowance provisions during the current calendar year while on the hourly roll.

A salaried employee who has been transferred from the hourly roll on or after July 1 of the current year, and who had a vacation pay and paid absence allowance eligibility date of June 30 while on the hourly roll, shall receive no further vacation consideration for the current calendar year.

Such an employee who had a vacation pay and paid absence allowance eligibility date of December 31 shall be granted the vacation time off to which he is entitled as a salaried employee less any time off already taken under the paid absence allowance provisions during the current calendar year while on the hourly roll. If it is impractical to grant him the vacation time, he shall receive pay in lieu of vacation for the current calendar year and an amount equivalent to the unused portion, if any, of the paid absence

allowance credited to him on his last eligibility date based upon the number of hours pay he would have received and at the hourly rate of pay which would have been in effect had he remained on the hourly roll until December 31. Such allowance shall be paid on or after December 31.

Employees Returning from Military Leaves of Absence: Eligibility for vacation with pay shall be based upon total length of service including the time spent on military leave.

EMPLOYEES WHO ARE SEPARATED

Retirement: An employee who is being separated under any of the retirement classifications shall be granted the vacation time off to which he is entitled before his separation becomes effective.

Discharges: An employee who is discharged shall not be granted vacation time off or a vacation allowance.

Other Separations: A vacation for salaried employees in General Motors is a period of time off granted to an employee in recognition that a period of rest away from the job contributes to the future effectiveness of the employee. For an understanding of how vacation policy applies to an employee who separates from the Corporation for reasons other than those specified above, consult your supervisor.

Holidays

Holidays recognized within General Motors are:

1971 Model Year

November 26, 1970 (Thanksgiving)
December 24, 1970
December 25, 1970
December 31, 1970
January 1, 1971
April 9, 1971 (Good Friday)
April 12, 1971 (Easter Monday)
May 31, 1971 (Memorial Day)*
July 2, 1971
July 4, 1971 (Independence Day)
September 6, 1971 (Labor Day)

1972 Model Year

November 25, 1971 (Thanksgiving)
December 24, 1971
December 27, 1971
December 28, 1971
December 29, 1971
December 30, 1971
December 31, 1971
March 31, 1972 (Good Friday)

May 29, 1972 (Memorial Day)*
July 4, 1972 (Independence Day)
September 4, 1972 (Labor Day)

1973 Model Year

November 23, 1972 (Thanksgiving)
December 25, 1972
December 26, 1972
December 27, 1972
December 28, 1972
December 29, 1972
January 1, 1973
April 20, 1973 (Good Friday)
May 28, 1973 (Memorial Day)*
July 4, 1973 (Independence Day)
September 3, 1973 (Labor Day)

*or one other such holiday of greater local importance which may be designated by management

With respect to Christmas holiday periods, a salaried employee who claims and receives unemployment compensation or waiting period credit, shall have his pay reduced by the amount of such unemployment compensation paid or which would have been paid if it had not been a waiting period.

Salaried employees shall be granted a day off with pay in each of the calendar years 1971, 1972 and 1973. To be eligible for these days off, the employee must have been on the active roll December 31 of the previous year. Establishment of the days off may be determined on a group basis by Management; or on an individual basis in the form of an extra day of vacation; or on an individual basis at a time mutually satisfactory to Management and the employee.

Saturday and Sunday Holidays: When any of the recognized holidays occur on Saturday or Sunday, a salaried employee whose normal base workweek is Monday through Friday shall be granted a day off during his normal workweek for each such Saturday or Sunday holiday, except that an employee who is required to work on such holiday, and receives premium pay for doing so, shall not be granted time off equivalent to that for which premium pay was paid.

If any of the recognized holidays occurs on a scheduled day off of an employee who is employed in a necessary continuous seven-day operation, the employee shall be granted time off during his normal workweek equivalent to such holiday, except that an employee who is required to work on such holiday, and receives premium pay for doing so, shall not be granted time off equivalent to that for which premium pay was paid.

In making this policy effective, the employee's employing Unit will determine whether the time off is to be scheduled: on a group basis, e.g., observed on the previous Friday; or on an individual basis in the form of an extra day of vacation; or on an individual basis at a time mutually satisfactory to Management and the employee.

Holidays during Vacation: When any of the recognized holidays occurs during an employee's vacation period, the employee shall be granted an additional day of vacation.

No additional vacation time shall be granted to an employee by reason of the suspension of operations on any day or days other than the recognized holidays falling within an employee's vacation period.

Separations and Layoffs

Normally both the individual and General Motors have much to gain from long continued association. In certain cases, however, as circumstances change, it may become necessary to terminate the services of an employee. To insure fair handling of all cases involving separation or lay-off from the payroll, General Motors has adopted the policies outlined in the following paragraphs.

SEPARATION CLASSIFICATIONS

Each salaried employee who is separated from the payroll shall be classified at the time of separation under one of the classifications outlined below. Complete details of the reasons for separation, together with the separation classification, shall appear on the employee's record. In determining the separation classification, Management shall be the sole judge.

Quit: Resignation of an employee from the Corporation prior to age 60. However, an employee who is separated prior to age 60 for the purpose of becoming a General Motors distributor or dealer, or an employee thereof, shall be considered a special separation.

Failure to report to work at the expiration of an approved leave of absence and in accordance with the terms of such leave.

Failure by a laid-off employee on inactive status to accept an offer of re-employment in employee's previous position or one paying a salary not less than 80% of the employee's salary at the time of layoff, in the plant or office from which laid off.

Discharge: Separation of an employee prior to age 60 for personal conduct in the course of his duties of such a character that the employee's

continued employment would be contrary to the best interests of the Corporation.

Illustrative but not exclusive reasons for separation under this classification are dishonesty, willful violation of instructions, insubordination, drunkenness on the job, and refusal to comply with Governmental requirements related to his employment.

In addition, conduct reflecting adversely on the Corporation, even if it occurs apart from the course of duty, may in some cases be deemed by Management as sufficient grounds for discharge.

Final Release: Separation of an employee prior to age 55, or at or after age 55 but prior to age 60 if the employee has less than 10 years of credited service under the provisions of the Retirement Program for Salaried Employees at the time of separation, because of unsatisfactory performance of assigned duties or physical or mental incapacity to perform assigned duties.

Mutually Satisfactory Release: Separation of an employee prior to age 60 which cannot be properly classified as a final release or layoff but which is mutually satisfactory to General Motors and the employee.

Special Separation: Separation of an employee prior to age 60 which cannot be properly classified under any of the foregoing classifications because of some peculiar or special circumstances in the case. Examples of Special Separations include:

Inability to Provide Satisfactory Bond: An employee who is separated at any time because of inability to provide satisfactory bond to the Corporation shall be classified as a special separation.

Sale or Transfer of an Activity: In the event that the Corporation sells or transfers an activity or a portion of its business to an employer other than a subsidiary of General Motors Corporation, and as an incident thereto, a salaried employee who was engaged in the activity or portion of the business sold or transferred, continues as an employee of the new employer, the payment of separation allowance will depend upon any agreement worked out at the time of the sale or transfer.

If, in the opinion of the Corporation there appears to be a sound basis, and if the employee feels that it would be to his disadvantage to accept a position offered with the new employer, he may be separated as a mutually satisfactory release, and paid a separation allowance if otherwise eligible.

Special Divisional Practices: An employee separated in accordance with an established policy of the Division or Corporation, and under conditions where the employee's business conduct is not a factor, shall be classified as a special separation and paid a separation allowance if otherwise eligible.

Refusal to Accept Salaried Position Paying Less Than 80% of Current Base Salary Rate: A salaried employee who is offered another salaried position paying less than 80% of the employee's current base rate, and refuses to accept such position—or accepts and is separated within the succeeding six months for any reason other than death or layoff—shall be classified as a special separation and shall be paid a separation allowance if otherwise eligible.

An employee separated under such conditions, who is employed within the Corporation at a subsequent date, shall then be treated as a new employee and his length of service shall date from the beginning of his new employment.

Refusal to Accept an Hourly-Rate Job:

A. Employees with previous hourly service

1. A salaried employee, eligible for an hourly-rate job by virtue of previous hourly service, who is offered a suitable hourly-rate job and refuses to accept such a job shall: (1) be separated from the salaried payroll and classified as a special separation, (2) be paid a separation allowance if otherwise eligible, and (3) be recorded as a quit on the hourly employment records.

Such an employee who accepts a suitable hourly-rate job and is separated within six months from the date of acceptance of such hourly job for any reason other than death or layoff shall: (1) be classified as a special separation, and (2) be paid a separation allowance if otherwise eligible.

An employee separated under the above conditions, who is employed within the Corporation at a subsequent date, shall then be treated as a new employee and his length of service shall date from the beginning of his new employment.

2. A salaried employee with previous hourly service who accepts a suitable hourly-rate job and is laid off from the hourly roll within six months from the date of acceptance of such hourly job shall: (1) be classified as a layoff from the salaried roll, and (2) be paid layoff payments under the Separation Allowance Plan if otherwise eligible.

3. A salaried employee with previous hourly service who is offered an unsuitable hourly-rate job and refuses to accept such job, or accepts and is separated within six months from the date of acceptance for any reason other than death shall: (1) be classified as a layoff from the salaried roll, and (2) be paid layoff payments under the Separation Allowance Plan if otherwise eligible.

Any employee who is eligible to receive Supplemental Unemployment Benefits (SUB) shall not receive salaried layoff payments until the employee applies for and is denied SUB, or SUB is exhausted. The layoff payments for which an employee may be eligible shall be reduced by the amount of any SUB received.

An employee laid off under any local seniority agreement because of the employee's failure to apply for or accept work to which the employee's seniority would entitle the employee, shall not be eligible for layoff payments without regard to whether SUB benefits are payable. In addition, an employee on disciplinary layoff or on strike shall not be eligible for layoff allowance.

B. Employees with no previous hourly service

A salaried employee with no previous hourly service who is offered an hourly-rate job and refuses to accept such job, or accepts and is separated within six months from the date of acceptance for any reason other than death shall, in the absence of any unusual circumstances: (1) be classified as a layoff, and (2) be paid layoff payments under the Separation Allowance Plan if otherwise eligible.

Separations to Become Distributors or Dealers or Employees Thereof: An employee who is separated prior to age 60 (whether by resignation or under mutually satisfactory conditions) for the purpose of becoming a distributor of, or a dealer in, some General Motors product, or of entering the employment of such a distributor or dealer, shall be classified as a special separation and shall not be eligible for a separation allowance.

Separations for Educational Purposes: An employee who has been employed as a college student in a summer training program, and returns to college to continue his education, shall be classified as a special separation.

Refusal to Accept Employment on a Commission Basis: A salaried employee who is offered employment on a commission basis, and refuses to accept such employment—or accepts and is

separated within the succeeding six months for any reason other than death—shall be classified as a special separation and shall be paid a separation allowance if otherwise eligible.

An employee separated under such conditions, who is employed within the Corporation at a subsequent date, shall then be treated as a new employee and his length of service shall date from the beginning of his new employment.

Termination of Agreed Period of Employment: A temporary employee who is separated at the end of an agreed period of employment shall be classified as a special separation.

Retirement: Included in this separation classification are separations at or after age 60 (except a separation on account of death) and total and permanent disability retirements. A separation under this classification shall be identified as to type of Retirement as follows: Retirement at automatic retirement date; Retirement subsequent to automatic retirement date; Early retirement—total and permanent disability; Early retirement—at employee's option (equivalent to quit); Early retirement—discharge; Early retirement—at Corporation option (equivalent to final release); Early retirement—under mutually satisfactory conditions; Early retirement—(equivalent to special separation)—reasons to be itemized.

Retirement at Corporation Option—at or after Age 55 but prior to Age 60: This classification covers the separation of an employee at or after age 55 but prior to age 60 who has 10 or more years of credited service under Part A of the Retirement Program for Salaried Employees as an early retirement at Corporation option. Prior approval of the governing committee of the Corporation having jurisdiction is required.

WHEN RELEASES ARE MADE

A final release should be effected promptly when it is determined that an employee's services are unsatisfactory. Except in those cases where it is necessary to discharge an employee for cause, it is preferable that the release be made during periods of active business, rather than in periods of declining business, in order that the employee concerned may have a relatively better opportunity to secure other employment. Such action should not be deferred pending any probable staff reduction due to declining business.

LAYOFF AND RECALL

Basis for Selection of Employees to Be Laid Off: If it becomes necessary to reduce the number of

employees in any classification of work within a department, where ability, merit, and capacity are equal, the employee with the least service working in such classification in that department shall be laid off.

Before an employee is laid off, he should be considered for placement on a job he can capably perform in the same or another department in the same salary level, or lower if necessary, displacing another employee with less service, providing merit, ability, and capacity are equal.

In connection with reduction of force, it is recognized that in many instances employees in the same classification of work are not interchangeable with respect to their knowledge and experience and their ability to perform all of the duties assigned to such classification. Therefore, no employee shall be retained at work on the basis of length of service who is not capable of performing an available job in a competent and satisfactory manner without additional training.

A laid-off salaried employee, in addition to being listed as available for re-employment with the employing Unit he is leaving, will also be listed with the Central Office Placement and College Relations Activity as available for re-employment with other appropriate General Motors operations. This Activity will provide lists of laid-off salaried employees to all General Motors operations in the community and, where warranted, in other communities.

Status of Laid-Off Employees: A regular salaried employee whose performance is satisfactory and who is being removed from the active roll only because of the need for a reduction in force shall be classified as a laid-off employee on inactive status. An employee shall not be classified as a layoff unless the Unit laying him off considers him qualified for re-employment in the position which he last held or a better one. An employee with less than six months of service who is not eligible at the time of layoff to be placed on inactive status will be separated as a layoff.

The length of service of a regular salaried employee who has been laid off and placed on inactive status will not be broken, but will be retained if he is returned to the active roll from inactive status within one year following layoff, or within a period equal to the length of service he had acquired at the time of transfer to inactive status, if such length of service is less than one year. The period of time on such inactive status will be included in the employee's length of service upon his return to the active roll.

A regular salaried employee who has been laid off and placed on inactive status and is not returned to the active payroll within 12 months from his last day on the active payroll or within a period equal to the length of service he had acquired at the time of transfer to inactive status, if such length of service is less than one year, shall be separated as a layoff at the end of such period.

The length of service of a regular salaried employee with more than one year's length of service who has been separated as a layoff will be re-established if he is returned to the active roll within a period following his last day on the active payroll which does not exceed five years or his length of service at the time of being placed on inactive status, whichever is the lesser. The period of time on inactive status, up to the first 12 months of any one layoff, will be included in the employee's length of service upon his return to the active roll.

The employee with one year's length of service or more who is laid off and placed on inactive status will be eligible for layoff payments under the provisions of the Separation Allowance Plan, to the extent that he qualifies under that Plan.

Recall of Laid-Off Employees: It is the laid-off employee's responsibility to keep Management informed of the address to which any communications are to be directed. The method of notification of change of address is to be established by each employing Unit.

Laid-off salaried employees whose periods of recall preference have not expired shall be given the opportunity to fill openings in the plant or office from which they were laid off, provided they are qualified to perform the work available. Consideration shall be given to merit, ability, capacity, and length of service.

Laid-off salaried employees from other plants or offices in the community, whose periods of recall preference have not expired and who are qualified to perform the work available, shall be offered the opportunity to fill such positions after the qualified laid-off salaried employees of the plant or office doing the hiring have been recalled. Consideration shall be given to merit, ability, capacity, and length of service. Any such employee who is employed at a plant or office other than the one from which he was laid off may be given an opportunity to be transferred back to the plant or office from which he was laid off if such transfer is mutually agreeable to both Units involved.

New salaried employees shall not be hired until consideration has been given to laid-off General

Motors salaried employees available either from the plant or office doing the hiring or from other General Motors plants or offices in the community, if their periods of recall preference have not expired.

Refusal of Employment: A laid-off salaried employee who is offered re-employment in his previous position or one paying a salary not less than 80% of the employee's salary at the time of layoff in the plant or office from which he was laid off and who does not accept such offer within a reasonable period, shall: (1) if on inactive status, be separated as a quit and his layoff payments under the Separation Allowance Plan, if any, shall be discontinued as of the date of such separation; (2) if separated as a layoff, be considered a quit for recall preference purposes and lose eligibility for re-establishment of length of service if later re-employed. Such determination shall be made by the Personnel Director or his designated representative. An appropriate notation to this effect shall be placed in the employee's service record.

A laid-off salaried employee who is to be offered re-employment in the plant or office from which he was laid off in accordance with the foregoing paragraph, but cannot be so advised orally, shall be sent a registered letter, return receipt requested, advising him of the offer of re-employment. If no response is made to the offer of re-employment within seven calendar days he shall: (1) if on inactive status, be separated as a quit and his layoff payments under the Separation Allowance Plan, if any, shall be discontinued as of the date of such separation; (2) if separated as a layoff, be treated in the manner outlined in the preceding paragraph.

A laid-off salaried employee who refuses offered employment in a position paying a salary not less than the employee's salary at the time of layoff, in the same community but in a plant or office other than the one from which he was laid off, shall have his layoff payments under the Separation Allowance Plan discontinued, but shall not be separated or considered as a quit. However, if the employing unit from which he was laid off has been closed and the operation discontinued, such an employee should be considered as a quit and separated. If a laid-off salaried employee of another plant or office who is to be offered employment cannot be so advised orally, he shall be sent a registered letter, return receipt requested, advising him of the offer of employment. If no response is made to the offer of employment within seven calendar days, action shall be taken to discontinue his layoff payments under the Separation Allowance Plan, if any.

APPROVALS NECESSARY

The Personnel Director or his designated representative shall review and the General Manager (or Plant Manager) or Central Office Staff Head or his designated representative shall approve all separations and all proposed layoffs prior to the notification of the person involved. The specific approval of the General Manager of a Division or Central Office Staff Head is required for the involuntary separation or the layoff of an employee with 10 or more years' length of service.

An immediate supervisor may suspend a salaried employee at any time with or without pay for a period not exceeding one week pending review and final decision of the case. The case shall then be reviewed by the Personnel Director or his designated representative and a report made to the General Manager (or Plant Manager) or Central Office Staff Head who will promptly determine the final action to be taken in the case.

NOTIFYING THE EMPLOYEE

Separations: Each salaried employee separated from the payroll shall be informed verbally by his immediate supervisor at the time of separation as to the reasons for such separation and his resulting status. The employee's personnel record should contain the same information. It is important that the affected employee be fully and promptly advised by the proper member of Management, in accordance with local practice, of any action affecting his status.

Layoffs: An employee who is to be laid off should be given advance notice of his layoff. At the time of layoff he should be told why the reduction is necessary and the basis for his selection. He should be advised of his status while laid off, that he will be recalled when conditions warrant, and that he will be considered for employment by other General Motors operations in the area.

OPPORTUNITIES FOR REVIEW

Any laid-off or separated employee having a complaint regarding his separation may appeal his case to the GM Vice President in Charge of the Personnel Staff, provided the employee has first exhausted all steps for adjusting the complaint within the Division or Central Office Staff from which he was separated. Such appeals must be submitted in detail in writing, with a full statement of the steps taken to secure adjustments within the employing Unit. An investigation will be made to determine whether the employee has been properly treated in relation to established policy and if it is determined that established policy has not been followed, appropriate action

will be taken. In any case, the laid-off or separated employee will be so advised.

INSURANCE, SAVINGS-STOCK PURCHASE AND RETIREMENT PROGRAMS

A laid-off or separated salaried employee will be eligible for participation in the following benefit programs to the extent outlined for laid-off or separated salaried employees under the specific provisions of each program: Insurance Program, which includes Life, Extra Accident, Sickness and Accident, Extended Disability Benefit and Survivor Income Benefit Insurance, Basic Hospital, Surgical, Medical and Prescription Drug coverages and Comprehensive Medical Expense Insurance, and the Savings-Stock Purchase and Retirement Programs. For specific information applicable to individual cases, contact your supervisor. He will either provide you with the information or direct you to the activity in your operation assigned to administer the programs.

PAYMENT FOR PERIOD OF EMPLOYMENT

Unless an employee quits or is discharged for cause or is separated because of death, he shall be entitled to receive as a salary payment the unearned base salary plus cost-of-living allowance for the remainder of the contractual period of employment (calendar day or month as the case may be) in which he was separated.

PAYMENT IN EVENT OF DEATH

Although the Corporation is under no legal obligation to make any payment of salary for a period subsequent to death, it is the policy of the Corporation to provide a voluntary emergency cash payment in such time of need by making payment immediately to the surviving spouse, children or other member of the employee's immediate household who would usually be responsible for seeing to the payment of funeral expenses, etc. If there is no such person in the immediate household, then no death payment should be made to anyone. The voluntary death payment is not made to the legal representative for the estate of the employee.

The following requirements and limitations apply in those cases where a payment is recommended:

Temporary and probationary employees--

If the deceased employee was on a temporary or probationary basis when death occurred, no payment shall be made beyond the date of death.

Employees not on a temporary or probationary basis—

If the deceased employee was receiving full base salary when death occurred, there should be paid an additional amount equal to one month's full base salary.

If the deceased employee was receiving less than full base salary when death occurred, there should be paid an additional amount equal to one month's salary at his reduced salary rate.

If the deceased employee was not receiving salary when death occurred, no additional payment shall be made.

No cost-of-living allowance, extended workweek premium, night shift premium, or similar payment in excess of base salary shall be made beyond the date of death.

NOTE: If employee is on leave of absence at the time death occurs, the payment should be on the same salary basis (excluding cost-of-living allowance) as provided for in the leave of absence; if the leave of absence is without pay, no salary payment shall be made. In those instances where death occurs while an employee is on disability leave of absence and receiving the equivalent of full base salary consisting of partial base salary plus Sickness and Accident Benefits and/or Workmen's Compensation, the payment beyond the date of death should be equal to one month's full base salary.

Separation Allowance

A Separation Allowance Plan has been established for the benefit of salaried employees laid off or separated from the payroll under certain circumstances. The primary purpose of this Plan is to provide a source of income to eligible employees beyond the date of their layoff or separation. The inclusion of a schedule of separation allowances in this booklet, together with the conditions governing their payment, however, is not intended nor is it to be interpreted to establish a contractual relationship with the employee. Where payments are made to a laid-off employee under this Plan, the term "Separation Allowance" will include layoff payments under the Separation Allowance Plan.

Corporation policy provides that where conditions permit, the employee should be given advance notice of layoff or separation. Such advance notice should not affect the amount of separation allowance if the employee is otherwise eligible.

WHO IS ELIGIBLE

A salaried employee separated from the payroll will be eligible for a separation allowance provided the employee has a length of service of at

least 12 months and is separated under the classifications of Final Release or Mutually Satisfactory Release. In addition, an employee separated as a Special Separation may be eligible and certain employees separated under the classification of Retirement may be eligible for a Separation Allowance.

Payments under the provisions of the Separation Allowance Plan made to employees laid off on inactive status shall be considered as layoff payments.

A salaried employee who has been promoted or transferred from an hourly-rate job or from a position for which compensation is paid solely on a commission basis to a salaried position and who is subsequently laid off, separated, or demoted under circumstances permitting payment of a separation allowance, will be eligible for a separation allowance only if the employee's length of service in a salaried position subsequent to such promotion or transfer is at least 12 months, regardless of the length of previous service on hourly-rate or on a commission basis. However, after the completion of 12 months' service in a salaried position, such laid-off or separated employee will receive credit for total length of service in computing the separation allowance.

When an employee dies while in active service, no separation allowance payments shall be made to his estate. If, however, the employee had left the Corporation's active service and dies while receiving separation allowance in monthly payments and before final payment is made, the unpaid balance of the separation allowance shall be paid to the estate in one payment.

Employees at or after age 55 but prior to age 60 who upon separation are eligible for supplemental allowance under the Retirement Program for Salaried Employees are generally not eligible for a separation allowance.

SPECIAL CASES

EMPLOYEES OFFERED LOWER PAID SALARIED OR HOURLY-RATE JOBS

An employee whose services are satisfactory, but who cannot be continued in his present position because of a declining volume of business or other general causes not the fault of the employee, should be given, if possible, other employment opportunities either on a salaried or an hourly-rate basis. In such a case, the employee who is offered a salaried position paying less than 80% of his current base salary rate, or

is offered an hourly-rate job, and refuses to accept such employment, or does accept and during the succeeding six months quits or is separated for any reason other than death, shall be paid the separation allowance to which he was entitled at the time of his transfer to the new position.

EMPLOYEES NOT RE-EMPLOYED AFTER COMPLETING LEAVE OF ABSENCE

Disability Leave of Absence: If at the time of completion of an approved disability leave of absence it is impossible to reinstate an employee who, in the opinion of Management, is qualified for re-employment in his former position or a position paying a base salary 80% or more of his last base salary rate, he will be paid, if otherwise eligible, a separation allowance based upon his length of service which shall not extend beyond the date upon which such leave of absence became effective.

Special Leave of Absence: Payment of separation allowance to an employee not rehired following an approved special leave of absence will

depend upon the circumstances under which the leave was granted.

In any case where separation allowance is to be paid, it shall be based upon length of service which shall not extend beyond the date upon which such leave of absence became effective.

Military Leave of Absence: If it is impossible to reinstate an employee eligible for re-employment after completion of an approved military leave of absence, the employee will be paid a separation allowance based on his length of service which shall not extend beyond the date on which he was released from the Armed Forces.

BASIS FOR COMPUTING SEPARATION ALLOWANCE

The separation allowance shall be based upon length of service and the employee's average monthly base salary rate, as shown in the table below.

SEPARATION ALLOWANCE AS % OF AVERAGE MONTHLY BASE SALARY

LENGTH OF SERVICE		LENGTH OF SERVICE	
1 year up to 3 years	50%	16 years up to 17 years	550%
3 years up to 4 years	75	17 years up to 18 years	600
4 years up to 5 years	100	18 years up to 19 years	650
5 years up to 6 years	125	19 years up to 20 years	700
6 years up to 7 years	150	20 years up to 21 years	750
7 years up to 8 years	175	21 years up to 22 years	800
8 years up to 9 years	200	22 years up to 23 years	850
9 years up to 10 years	240	23 years up to 24 years	900
10 years up to 11 years	280	24 years up to 25 years	950
11 years up to 12 years	325	25 years up to 26 years	1000
12 years up to 13 years	370	26 years up to 27 years	1050
13 years up to 14 years	415	27 years up to 28 years	1100
14 years up to 15 years	460	28 years up to 29 years	1150
15 years up to 16 years	505	29 years and over	1200

COMPUTATION OF AVERAGE MONTHLY BASE SALARY

Average monthly base salary rate for the purpose of computing separation allowance is the average base salary during the last 12 or the last 36 months of recognized service prior to the last day actually worked and during which the employee was paid full base pay, whichever period would result in the higher average monthly base salary rate. In those instances in which certain of the calendar months immediately preceding the last day actually worked are excluded for the purpose of determining the average monthly base salary rate because the employee was not paid full base salary, an additional number of months shall be added so that the average base salary rate is computed on a period during which full base salary was paid. If the employee's length of service is less than 36 months, the average monthly base salary rate should be computed on the number of months prior to the last day actually worked, or the last 12 months, during which the employee received full base pay, whichever period would result in the higher average monthly base salary rate.

In those cases, where an employee, who had previously been separated and upon rehire had re-established his service, is again separated, and is eligible for a separation allowance, his average monthly base salary rate will be computed based on the last 12 or the last 36 months of recognized service as described above, reflecting months of service after re-employment and, to the extent required, months of service prior to the previous separation.

EMPLOYEE ON SALARY-PLUS-COMMISSION

The separation allowance of an employee on a salary-plus-commission basis shall be based on the employee's base salary, not including any commission or supplemental compensation determined by sales or earnings.

PAYMENT OF SEPARATION ALLOWANCE

Separation allowance payments shall be made in accordance with the following:

Full Separation Allowance Shall Be Paid in One Payment at the Time of Separation to: Any employee separated as a final release, in those cases in which the employee's physical or mental con-

dition is such that it can definitely be determined that he will not be re-employed.

Any employee separated as a special separation, when such an individual elects to take separation allowance rather than accept a salaried position paying less than 80% of the base salary rate of his current position, a suitable hourly-rate job, or employment on a commission basis.

Payment of separation allowance to employees separated for the reasons indicated in the foregoing paragraphs may be made in monthly instalments when requested by the employee and approved by the General Manager of a Division or Central Office Staff Head.

Separation Allowance Shall Be Paid in Monthly Instalments to: An employee separated as a final release other than an employee separated under this classification for the reason indicated above.

An employee separated as a mutually satisfactory release.

An employee classified as a layoff on inactive status and such separation allowance payments shall be considered as layoff payments under the Separation Allowance Plan.

An employee separated as a layoff at the end of the authorized period on inactive status, if his layoff payments under the provisions of the Separation Allowance Plan have not been completely paid out at the time of such separation. In such case, the unpaid balance shall be considered as a separation allowance.

An employee separated as a special separation other than an employee separated under this classification for the reason indicated above.

The amount of separation allowance paid monthly shall be equal to the employee's last base monthly salary. The first payment shall be made in the month following that in which the employee was separated. At the discretion of the Division, separation allowance payments may be made at the end of the month or on the same salary payment schedule which would have been followed had the employee remained on the payroll.

Employees eligible for separation allowance payments who are rehired on other than the first scheduled working day of a month will receive separation allowance for fractional month periods.

Except in the case of an employee classified as a layoff on inactive status, a single payment of the total separation allowance may be made to employees in any of the above groups when approved by the General Manager of a Division or Central Office Staff Head.

Refusal of Employment: A laid-off salaried employee on inactive status who is offered re-employment in his previous position or one paying a salary not less than 80% of the employee's salary at the time of layoff, in the plant or office from which he was laid off, and who does not accept such offer within a reasonable period shall be separated as a quit. Layoff payments, if any, to the employee shall be discontinued as of the date of such separation.

A laid-off salaried employee who is to be offered re-employment in accordance with the foregoing paragraph but cannot be so advised orally shall be sent a registered letter, return receipt requested, advising him of the offer of re-employment. If no response is made to the offer of re-employment within seven calendar days, the employee shall be separated as a quit and his layoff payments, if any, shall be discontinued as of the date of such separation.

A laid-off salaried employee who is offered employment, in a position paying a salary not less than the employee's salary at the time of layoff, in the same community but in a plant or office other than the one from which he was laid off, and refuses it, shall have layoff payments discontinued, but shall not be separated or considered as a quit. A laid-off salaried employee of another plant or office who is to be offered employment but cannot be so advised orally, shall be sent a registered letter, return receipt requested, advising him of the offer of employment. If no response is made to the offer of employment within seven calendar days, action shall be taken to discontinue the layoff payments, if any, being made to the employee.

A laid-off salaried employee on inactive status who indicates in writing that he wishes to be separated shall: (1) if his decision is for the purpose of qualifying for retirement benefits, be separated as a quit or as a mutually satisfactory release, depending upon the circumstances of the individual case; (2) if his decision is for any other reason, be separated as a quit. If the employee is separated as a quit, his layoff payments, if any, shall be discontinued as of the date of such separation; if the employee is separated as a mutually satisfactory release, his layoff payments shall be considered as separation allowance payments and shall continue to be paid, if any amount is still due.

EMPLOYEES REHIRED AND LATER LAID OFF OR SEPARATED

A salaried employee previously paid a separation allowance who on rehire re-establishes the length of service on which such separation allowance was computed and who is again laid off or separated under circumstances entitling him to a separation allowance shall receive as a separation allowance an amount based on the following:

Where Average Monthly Base Salary Rate Is the Same or Higher than Salary on Which Previous Separation Allowance Was Based: If, since re-employment, the employee's average monthly base salary rate is the same or higher than the average monthly base salary rate on which his previous separation allowance was based, he shall then receive as a separation allowance the difference between the amount applicable to his total length of service (with a maximum of 29 years) and the amount of the separation allowance previously paid him, and in addition any amount of previous separation allowance that may have been repaid.

Where Average Monthly Base Salary Rate Is Less than Salary Rate on Which Previous Separation Allowance Was Based: If, since re-employment, the employee's average monthly base salary rate is less than the average monthly base salary rate on which his previous separation allowance was based, he will receive a separation allowance based on the formula outlined above, but in no case less than the amount that would be applicable solely to that portion of his new period of salaried employment which when added to his previous service would not exceed the maximum of 29 years, and in addition any amount of previous separation allowance that may have been repaid.

Payment of Separation Allowance to Employees Not Re-establishing Length of Service Upon Rehire Who Were Previously Paid a Separation Allowance and Who Are Again Laid Off or Separated: A salaried employee previously paid a separation allowance whose length of service is not re-established upon rehire shall have the status of a new employee upon rehire and if again laid off or separated under circumstances entitling him to a separation allowance, shall receive as a separation allowance an amount based on length of service applicable to his new period of employment, except that this length of service when added to the length of service on which his previous separation allowance was based shall not exceed a maximum of 29 years of service.

Change of Status— Approvals Required

The Personnel Director, or another designated member of Management, shall review and the

General Manager (or Plant Manager) or Central Office Staff Head or his designated representative, shall approve all promotions, demotions, layoffs and separations prior to the notification of the person involved. This procedure is designed to give employees every consideration and make personnel changes that are fair and equitable for all concerned.

IN CONCLUSION

Although we have described the principal benefits for which salaried men and women of General Motors may be eligible, it is impossible in any booklet to cover every situation that may arise. If you need further information or are in doubt as to how any of these policies and procedures apply to you, ask your supervisor. He will answer your question or get the answer for you.

The contents of this handbook are presented as a matter of information only. While General Motors believes wholeheartedly in the plans, policies and procedures described here, they are not conditions of employment. General Motors reserves the right to modify, revoke, suspend, terminate, or change any or all such plans, pol-

icies, or procedures, in whole or in part, at any time, with or without notice. The language used in this handbook is not intended to create, nor is it to be construed to constitute, a contract between General Motors and any one or all of its employees.

Annex I

1971 Retirees

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YOUR GENERAL MOTORS

**RETIREMENT
PROGRAM**

FOR SALARIED EMPLOYEES IN THE UNITED STATES
(As amended through May 21, 1971)

Page 3 67

A general explanation of the General Motors Retirement Program for Salaried Employees, as amended through May 21, 1971, is set forth on pages 4 through 17 of this booklet. It contains information applicable to retirement and survivor benefits payable on or after April 1, 1971 to employees who retire with benefits commencing on or after October 1, 1970.

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The detailed governing language of the General Motors Retirement Program for Salaried Employees is set forth on pages 21 through 66 of this booklet.

049622100007



J. M. Roche

TO EACH SALARIED EMPLOYEE IN GENERAL MOTORS

Retirement is becoming a very important part of our lives. Thanks to modern medical knowledge, we have a better opportunity than ever before to enjoy an active and happy life after our career with General Motors is completed.

The purpose of this booklet is to help you understand the GM Retirement Program and to give you information about benefits to which you may be entitled. The booklet reflects the substantial Retirement Program improvements made in 1971.

The modified Retirement Program provides a new measure of security in retirement for you and your family. It is a very important part of the total General Motors employee benefit program.

Benefits have been significantly increased and extensive changes have been made of importance to you and other members of your family. If you are not sure how some of the provisions apply in your case, ask your supervisor. He will be glad to help.

A good understanding of what you can count on from the GM Retirement Program and other GM benefit plans, as well as from your savings and from Social Security, will help you plan for a satisfactory life in retirement.

A handwritten signature in cursive script, appearing to read "J. M. Roche".

Chairman

Your RETIREMENT PROGRAM At a Glance

BENEFITS

- Non-Contributory Benefits (Part A) based on your credited service.
- Contributory Benefits (Part B) related to your final average salary and your contributions.

ELIGIBILITY FOR EMPLOYEES WITH 10 OR MORE YEARS OF CREDITED SERVICE

- Retirement at age 65.
- Early retirement under Mutually Satisfactory Conditions, or at Corporation Option, or on a Voluntary basis.
- Disability retirement at any age.
- Deferred benefits if you leave General Motors before retirement age.

SURVIVOR INCOME UPON YOUR DEATH AFTER AGE 55

- After Retirement—options to provide monthly benefits for your eligible surviving spouse or other beneficiary designated by you.
- Before Retirement—an automatic and an optional monthly benefit for your eligible surviving spouse.

The front part of this booklet covers in a general way the benefits payable under a wide variety of situations, not all of which can apply to you. If you wish a personalized explanation of how the Program may apply to you, particularly if you are of retirement age or close to it, please see your supervisor.

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There Are TWO PARTS

*Your General Motors Retirement Program
is made up of two parts.*

PART

A

Part A is non-contributory. General Motors pays the entire cost. It provides benefits for all employees with 10 or more years of credited service who retire under the Program, or who leave General Motors.

Part A consists of basic, special age 65, temporary, and supplemental allowance benefits.

PART

B

Part B is contributory. You and General Motors share the cost. It provides you an opportunity to build up substantial benefits in addition to Part A benefits.

Part B consists of:

Primary benefits, equal each month to 1½% of the average monthly salary on which you make contributions into the Program, multiplied by the number of years you contribute. Expressed in terms of your contributions, monthly primary benefits equal 2½% of your contributions into the Program before July 1, 1971 plus 4½% of your contributions thereafter.

Supplementary benefits, equal each month to 8/10ths of 1% of your final 5-year average monthly base salary in excess of \$968.75, multiplied by your years of credited service.

To get full Part B benefits you must contribute while eligible and leave your contributions in the Program.

If you fail to contribute at any time while eligible, or if you withdraw your contributions, generally you will lose any Part B supplementary benefits for all prior periods.

Your

PART B CONTRIBUTION

Commencing July 1, 1971 the employee contribution for Part B is 3% of monthly base salary in excess of \$250. Prior to July 1, 1971 the employee contribution was 5% of monthly base salary in excess of \$250.

You are eligible to contribute under Part B when you have:

1. Attained age 30, and
2. Have one year of continuous service.

Your contribution is deducted from your salary each month.

During temporary absence at full base salary, or the equivalent, your monthly contribution will be deducted as usual.

If you are temporarily absent at a reduced salary, or receiving sickness and accident benefits, you do not have to contribute. You may, however, elect to continue to contribute for up to 12 months on the basis of your full monthly base salary rate.

CREDITED SERVICE

Your credited service is the total period of employment for which you are given credit under the Retirement Program. It is used in determining your Part A benefits and any Part B supplementary benefit.

Credited service includes all periods of employment and temporary absence for which you are paid. In addition, certain

other periods of absence may be credited, such as those while on approved military or disability leave, or layoff, following a period of credited service.

An employee who breaks credited service may have it reinstated if he is re-employed by General Motors. It may be reinstated regardless of the length of absence between periods of employment.

RETIREMENT AGE

Normal retirement age is 65. Retirement at that age is automatic if you were eligible to contribute under Part B of the Program.

If you have 10 or more years of credited service, you may retire:

1. or be retired by General Motors, as early as age 55, or
2. at any age in case of total and permanent disability.

If you have 30 or more years of credited service, you may retire at any age after September 30, 1971.

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RETIREMENT AT AGE 65

Part A Benefits

Your Part A basic benefit rate upon normal retirement at age 65 will be either \$7.25, \$7.50, or \$7.75. The maximum monthly base salary rate for your salaried position determines your basic benefit rate. (As of July 1971, if the maximum such rate for your position was \$768.22 or greater, your Part A basic benefit rate would be \$7.75.) Your benefit rate will be multiplied by your years of credited service to arrive at your monthly basic benefit.

For example, if you retire at age 65 with a \$7.75 rate and have 30 years of credited service, your monthly Part A basic benefit would be \$232.50.

Basic Benefit Rate	\$ 7.75
Years of Credited Service	x 30
Monthly Part A Basic Benefit	\$232.50

You may be eligible for a Part A special age 65 benefit of \$5.30 a month, provided your final 5-year average monthly base salary was under \$2,000.

Part B Benefits

If you contribute under Part B you may receive a Part B primary benefit equal to 2½% of your contributions into the Program before July 1, 1971 plus 4¼% of your contributions thereafter.

For example, if an employee contributed \$7,000 prior to 7-1-71 and \$1,000 thereafter, his monthly Part B primary benefit at age 65 would be \$216.67.

$$\begin{aligned} \$7,000 \times 2\frac{1}{2}\% &= \$175.00 \\ \$1,000 \times 4\frac{1}{4}\% &= 41.67 \end{aligned}$$

Monthly Part B Primary Benefit \$216.67

You also may receive a Part B supplementary benefit provided your monthly base salary exceeds \$968.75 at any time during your final 5 years of GM employment. This monthly benefit is equal to 8/10ths of 1% of your final 5-year average monthly base salary in excess of \$968.75, multiplied by your years of credited service (8/10% of \$968.75 equals \$7.75).

For example, if an employee retires at age 65 with a final 5-year average monthly base salary of \$1,100 and 30 years of credited service, his monthly Part B supplementary benefit would be \$31.50.

Final 5-Year Average Monthly Base Salary	\$1,100.00
	-968.75
	\$ 131.25
Part B Supplementary Benefit Rate	x .008
	\$ 1.05
Years of Credited Service	x 30
Monthly Part B Supplementary Benefit	\$ 31.50

Some examples of total monthly retirement benefits, including Social Security, are shown on page 17.

Mutually Satisfactory
or
Corporation Option
**RETIREMENT
PRIOR TO
AGE 65**

You may retire under conditions mutually satisfactory to you and General Motors between ages 60 and 65. You may be retired at Corporation option between ages 55 and 65.

Part A Benefits

In either case, your monthly Part A basic benefit will be determined as if you had retired at age 65, but based on your credited service at the time you retire, and will not be reduced because of its earlier commencement.

In addition, you will receive a monthly Part A temporary benefit of \$7.50 multiplied by your years of credited service, up to 25. The temporary benefit is payable until the earlier of the date you become:

1. age 65, or
2. eligible for Social Security disability insurance benefits, or
3. eligible for an unreduced Social Security benefit for age.

You may also be eligible for a monthly Part A supplemental allowance prior to age 65 (see pages 11-12).

At age 65 you may be eligible to receive a Part A special age 65 benefit of \$5.30 a month.

Part B Benefits

If you contribute under Part B, you may receive Part B benefits. These monthly benefits will be determined as if you had retired at age 65. Any monthly Part B supplementary benefit will be based on your final 5-year average monthly base salary and credited service at the time you retire.

TOTAL AND PERMANENT DISABILITY RETIREMENT

If you become totally and permanently disabled with 10 or more years of credited service, you may retire at any age.

Disability retirement benefits generally will begin when General Motors salary continuation payments or sickness and accident benefits cease. In any case, the retirement benefits cannot begin earlier than six months after you become disabled.

Part A Benefits

Your monthly Part A basic benefit will be determined as if you had retired at age 65, but based on your credited service at the time of disability retirement, and will not be reduced because of its earlier commencement.

In addition, you may receive a monthly Part A temporary benefit. The temporary benefit will be paid (as described on page 8) if you submit evidence that you are not eligible for Social Security disability insurance benefits.

You may also be eligible for a monthly Part A supplemental allowance prior to age 65 (see pages 11-12).

At age 65 you may be eligible to receive a Part A special age 65 benefit of \$5.30 a month.

Part B Benefits

If you contribute under Part B, you may receive Part B benefits. These monthly benefits will be determined, without reduction, as if you had retired at age 65. Any monthly Part B supplementary benefit will be based on your final 5-year average monthly base salary and credited service at the time of disability retirement.

VOLUNTARY RETIREMENT PRIOR TO AGE 65

You may retire voluntarily between ages 55 and 65. If you have 30 or more years of credited service, you may retire at any age after September 30, 1971.

Part A Benefits

Your monthly Part A basic benefit will be determined as if you had retired at age 65, based on your credited service at the time you retire. This benefit will be reduced, however, if you elect to have it commence early.

You may also be eligible for a monthly Part A supplemental allowance prior to age 65 (see pages 11-12).

At age 65 you may be eligible to receive a Part A special age 65 benefit of \$5.30 a month.

Part B Benefits

In addition, if you contribute under Part B you may receive Part B benefits. These monthly Part B benefits will be determined as if you had retired at age 65, but will be substantially reduced if you elect to have them commence prior to age 65. Any monthly Part B supplementary benefit will be based on your final 5-year average monthly base salary and credited service at the time you retire.

Voluntary retirement may adversely affect your eligibility under other General Motors benefit plans. For example:

1. Voluntary retirement at any age means:
 - a. forfeiture of unearned General Motors contributions under the Savings-Stock Purchase Program, and
 - b. no survivor income benefit insurance.
2. Voluntary retirement under age 60 means (in addition to 1) no major medical insurance.
3. Voluntary retirement between 55 and 60, if the sum of your age and years of credited service is less than 85, means (in addition to 1 and 2):
 - a. no General Motors-paid basic hospital, surgical, medical or prescription drug coverage, and
 - b. no basic, or optional, group life insurance.

SUPPLEMENTAL ALLOWANCE

If you retire prior to age 65, you may be eligible to receive a monthly Part A supplemental allowance.

Supplemental allowance is an amount which, when added to the sum of all Part A benefits and any Part B supplementary benefit, will raise the total of these benefits to a maximum of \$400, \$450, or \$500 a month. The maximum depends upon your age, years of credited service, and date of retirement. Supplemental allowance is not payable after age 65.

30 or More Years of Service

If you retire prior to October 1971—The amount of supplemental allowance added to your Part A and any Part B supplementary benefit will provide you a total monthly benefit of up to \$400 prior to October 1971, and \$450 a month thereafter until age 65.

For example, if an employee's final 5-year average monthly base salary is \$968.75 and he retires voluntarily August 1, 1971 at age 60 with 30 years of credited service, his monthly benefits, excluding Part B primary benefits, would be as follows:

August 1971 to October 1971	October 1971 to Age 65	After Age 65
\$400	\$450	\$207

The \$400 and \$450 levels would be reduced for retirement prior to age 60. For example, for retirement at age 56 these levels would be reduced about 44%.

If you retire after September 1971—When supplemental allowance is added to the sum of all Part A benefits and any Part B supplementary benefit, your total monthly benefit may be as high as \$500 prior to age 62. It may be as high as \$450 a month from age 62 to age 65.

The \$500 and \$450 amounts are reduced at the rate of 8% for each year that you

are under age 58 if you retire prior to October 1, 1972. They are reduced 8% from age 56 for retirements effective October 1, 1972, or later. The 8% reduction is not applied if you retire because of total and permanent disability or after layoff of more than one year because of a plant closing.

For example, if an employee's final 5-year average monthly base salary is \$968.75 and he retires voluntarily October 1, 1971, or later, at age 58 with 30 years of credited service, his monthly benefits, excluding Part B primary benefits, would be as follows:

Retirement to Age 62	Ages 62 to 65	After Age 65
\$500	\$450	\$201

Less Than 30 Years of Service

The maximum benefit (\$400, \$450, or \$500) is reduced proportionately if you retire with less than 30 years of credited service. If you retire before age 60 with less than 30 years of service there is a further reduction in your benefit.

For example, if an employee's final 5-year average monthly base salary is \$968.75 and he retires voluntarily August 1, 1971 at age 58 with 29 years of credited service, his monthly benefits, excluding Part B primary benefits, would be as follows:

August 1971 to October 1971	October 1971 to Age 65	After Age 65
\$276	\$311	\$174

If an employee retires October 1, 1971 or later under the above assumptions, his monthly benefits, excluding Part B primary benefits, would be as follows:

Retirement to Age 62	Ages 62 to 65	After Age 65
\$345	\$311	\$174

SUPPLEMENTAL ALLOWANCE— LIMITATIONS

1 A supplemental allowance is not payable to an employee who retires voluntarily between ages 55 and 60 if the sum of his age and years of credited service is less than 85, or to any employee who is discharged for cause.

2 If a survivor option is in effect, the amount of your supplemental allowance will be based on the monthly Part A and any Part B supplementary benefit which would have been payable if the option were not in effect.

3 If your total monthly Part A and Part B supplementary benefits, including supplemental allowance, would exceed 70% of your final monthly base salary plus cost-of-living allowance, your supplemental allowance will be reduced by the amount over 70%.

4 If you retire voluntarily and become eligible prior to age 65 for a Social Security disability insurance benefit, a reduction of \$7.50 per year of credited service, up to 25, will be made in your supplemental allowance.

5 If, after retirement, you earn more in a calendar year than the amount you can earn without reduction of Social Security benefits (currently \$1,680) your supplemental allowance will be reduced \$2 for each \$1 of such excess earnings.

**SEPARATION,
OTHER THAN
RETIREMENT,
PRIOR TO
AGE 55**

**Part A and Part B
Supplementary Benefits**

If you leave General Motors with 10 but less than 30 years of credited service and break your credited service prior to age 55, you will be eligible at age 65 for deferred Part A benefits. Part B deferred supplementary benefits also may be provided, depending on your average monthly base salary. Your deferred benefits at age 65 generally will equal normal retirement benefits (see page 7) based on your average monthly base salary, credited service and contributions at the time of your separation. You may elect to have these benefits start between ages 60 and 65 on a reduced basis.

To receive deferred benefits you must apply during the period beginning 60 days before you become age 60 and ending with your 70th birthday. Benefits will commence only after you have submitted an application. The application will be given to you following your break in credited service.

Part B Primary Benefits

If you leave General Motors before age 55, or between ages 55 and 60 with less than 10 years of credited service, you may:

1. leave your Part B contributions in the Program, or
2. withdraw your contributions plus interest.

In the former case, if you have contributed for 5 or more years, you will be entitled to monthly Part B primary benefits at age 65 as if you were a normal retirement. If you have contributed for less than 5 years, you will receive benefits based only on your own contributions. You may elect to have these benefits start between ages 60 and 65 on a reduced basis.

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DEATH AFTER RETIREMENT— OPTIONS TO PROVIDE BENEFITS FOR A BENEFICIARY

You may elect to receive reduced monthly Part A basic or Part B benefits, or both, so that the surviving spouse to whom you are married at retirement, or any other beneficiary designated by you, will receive lifetime monthly benefits after your death.

The surviving spouse option cannot become effective until you have been married one year.

If you elect the surviving spouse option, you will receive 95% of the benefits otherwise payable to you. The 95% will be adjusted if the age difference between you and your spouse is more than 5 years.

Your surviving spouse's monthly benefit will equal 55% of your reduced monthly benefits.

In addition, your surviving spouse may receive a Part A special age 65 benefit of \$5.30 a month.

If your spouse predeceases you, your Part A benefits will cease to be reduced for the surviving spouse option after you make application to the Corporation.

In the event your circumstances change—such as through divorce—you may revoke Part A and Part B options while your spouse, or divorced spouse, is living. In that case your benefits will be restored to the amount payable without the option. Consent of both GM and the Metropolitan Life Insurance Company is necessary for such revocation and evidence that your spouse is in good health may be required.

As an alternative to the surviving spouse option, you may elect the joint and survivor option. Under this option all or any part of your reduced monthly Part A basic and Part B benefits may be continued to any beneficiary designated by you. Your reduced monthly benefits and the amount payable to your designated beneficiary are determined actuarially.

The effective date of either of the above options will be the later of:

1. the date on which your benefits begin, or
2. the first of the month coinciding with or immediately following your 55th birthday.

DEATH BEFORE RETIREMENT— BENEFITS FOR A SURVIVING SPOUSE

Automatic Survivor Benefit

If you die before retirement but after age 55 with 10 or more years of credited service, a lifetime monthly benefit is payable to your surviving spouse. The benefit will be based on your accrued monthly Part A basic benefit. This survivor benefit is payable without any election on your part.

If the age difference between you and your spouse is less than 5 years, the Part A automatic survivor benefit will be 55% of the reduced monthly benefit you would have received if you had retired voluntarily (with benefits reduced from age 62) on the date of your death with the surviving spouse option in effect.

In addition, at age 65 your surviving spouse may receive a Part A special age 65 benefit of \$5.30 a month.

These Part A survivor benefits are not payable in any month for which your spouse receives a monthly survivor income benefit under the General Motors Insurance Program.

Optional Survivor Benefit

The optional survivor benefit in case of

death before retirement is based on your Part B benefits. Under the option, lifetime monthly benefits are payable to your surviving spouse in lieu of the return of your Part B contributions plus interest.

You may elect this option when you reach age 55. You must then be married and participating under Part B of the Program. If you marry after age 55, you may elect this option at that time, and it will become effective after one year of marriage.

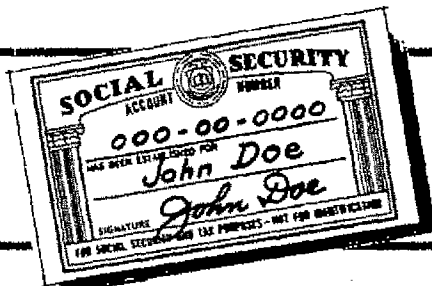
The monthly Part B optional survivor benefit will be determined in the same manner as the automatic survivor benefit under Part A.

Any Part B optional survivor benefit payable to your spouse will commence on the first day of the month following the month in which you die. It is payable irrespective of your spouse's receipt of a monthly survivor income benefit under the General Motors Insurance Program.

This option remains in effect until your retirement, attainment of age 65, divorce, spouse's death, or revocation of the option, whichever occurs first.

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SOCIAL SECURITY



General Motors retirement benefits are in addition to Social Security. Therefore, your retirement income may include Social Security benefits as well as your General Motors benefits. You and General Motors contribute equally to the cost of Social Security benefits. Your share of the cost is deducted from your pay. General Motors adds a like amount and turns the money over to the Federal government.

Social Security old age benefits begin at age 65, or between ages 62 and 65 on a permanently reduced basis.

Benefits for totally disabled employees

can begin at any age after six months of disability, provided they meet certain requirements.

Your wife may be eligible for a Social Security benefit based on her own wage record. If not, her monthly Social Security benefit will be equal to one-half of your unreduced monthly Social Security benefit if she is age 65. She may receive a permanently reduced benefit as early as age 62.

The following table may help you estimate your monthly Social Security benefit, based on the Federal law in effect as of July 1971.

Social Security Old Age Benefits for Retirement in 1971

If You Retire in 1971 at Age	IF SOCIAL SECURITY COMMENCES WHEN YOU AND YOUR WIFE ARE:					
	Age 65			Age 62		
	Retiree	Wife	Total	Retiree	Wife	Total
65	\$ 213	\$ 107	\$ 320	\$ —	\$ —	\$ —
62	205	102	307	164	77	241
60	202	101	303	162	76	238
58	189	94	283	151	71	222
55	175	87	262	140	66	206
50	155	77	232	124	58	182

Note: Amounts are rounded to the nearest dollar. You and your wife are assumed to be the same age, and you are assumed to have maximum Social Security coverage.

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EXAMPLES OF TOTAL MONTHLY BENEFITS

To show some examples of total monthly benefits, assume you:

1. were hired by GM at age 29,
2. commenced contributing at age 30, and
3. contributed until normal retirement at age 65.

The following table shows what your total monthly benefits would be, assuming various average monthly base salaries. In addition, your wife would be eligible for a Social Security benefit if she is age 62 or older.

Assumed Average Monthly Base Salary		YOUR MONTHLY BENEFITS				
		Part A*	Part B		Social Security (Maximum)	Total
From Age 30 to 65	Last 5 Years Before Retirement	Basic	Supplementary	Primary		
\$	\$	\$	\$	\$	\$	\$
600	900	284	—	154	213	651
800	1,200	284	67	289	213	853
1,000	1,500	284	153	394	213	1,044
1,200	1,800	284	239	499	213	1,235

*Includes \$5.30 special age 65 benefit.

Continuation of the Program

GM expects to continue the Program, and hopes it will make a real contribution to your future goals. However, General

Motors reserves the right to amend, modify, suspend or terminate the Program, in whole or in part, at any time.